1990

General Motors

Annual Report

Putting Quality on the Road

CONTENTS

FINANCIAL SUMMARY

(Dollars in Millions Except Per Share Amounts)	1990	1989	1988
Sales and Revenues			
GM sales	$110,797.3	$112,533.2	$110,228.5
GMAC financing revenues	11,756.7	11,215.5	10,667.9
Other income	4,671.7	5,845.8	4,913.9
Intersegment transactions	(2,520.6)	(2,662.6)	(2,168.7)
Total Net Sales and Revenues	$124,705.1	$126,931.9	$123,641.6
Worldwide Factory Sales of Cars and Trucks (units in thousands)	7,451	7,905*	8,108
Net Income (Loss)			
Amount	($ 1,985.7)	$ 4,224.3	$ 4,856.3**
As a percent of GM sales	(1.8%)	3.8%	4.4%
As a percent of average common stockholders' equity	(6.1%)	12.0%	14.6%
Earnings (Loss) Attributable to Common Stocks			
$1-2/3 par value	($ 2,378.3)	$ 3,831.0	$ 4,413.1**
Class E	$ 194.4	$ 171.0	$ 160.3
Class H	$ 160.0	$ 188.1	$ 256.9**
Earnings (Loss) Per Share Attributable to Common Stocks			
$1-2/3 par value	($4.09)	$6.33	$7.17**
Class E	$2.08	$1.81	$1.57
Class H	$1.82	$1.94	$2.01**
Taxes			
United States, foreign, and other income taxes (credit)	($ 231.4)	$ 2,174.0	$ 2,102.8
Other taxes (principally payroll and property taxes)	4,012.7	3,585.7	3,594.8
Total Taxes	$ 3,781.3	$ 5,759.7	$ 5,697.6
Investment as of December 31			
Book value per share of common stocks			
$1-2/3 par value	$45.17	$52.32	$48.92
Class E	$11.58	$13.41	$12.54
Class H	$22.61	$26.18	$24.48
Number of Stockholders as of December 31 (in thousands)			
$1-2/3 par value and preferred	924	963	812
Class E	427	446	423
Class H	497	524	489
Average Number of Employes (in thousands)	761	775	766

*Revised to reflect 1990 classifications.

**Includes the effect of an accounting change of $224.2 million of which $218.1 million, or $0.35 per share, was applicable to $1-2/3 par value common stock and $6.1 million, or $0.05 per share, was applicable to Class H common stock.

COVER: The 1991 Saturn coupe and sedan fulfill the vision of putting quality on the road with a new and better way of building small cars. More on Saturn on page 16.

MESSAGE TO STOCKHOLDERS

General Motors experienced a financial loss in 1990. At the same time, we continued to gain in many areas. We are determined to improve our overall financial performance.

I had hoped my first Annual Report as Chief Executive Officer would have displayed more positive results. But only hours after I became Chairman on August 1, world events began to have a negative impact on automotive markets and our future outlook. In a very competitive market, the pressure on virtually every aspect of our business increased.

However, the GM team made some major advances during the last year:

- GM was the only domestic automaker to increase its share of the U.S. market during 1990.
- GM's Cadillac Division won the prestigious Malcolm Baldrige National Quality Award presented by the U.S. Department of Commerce.
- Chevrolet regained leadership in U.S. passenger car sales from Ford. The 1991 Chevrolet Caprice LTZ was named the *Motor Trend* "Car of the Year."
- The Saturn Corporation, the newest GM business unit, introduced its new high-quality, high-value, fuel-efficient cars to the public.
- Buick continued to be recognized by J.D. Power & Associates for producing the highest-quality domestic car.
- Four out of the top five U.S. assembly plants in manufacturing quality were GM plants, according to J.D. Power.
- We successfully negotiated important new labor agreements with our major North American unions and new selling and service agreements with our U.S. dealers.
- In Europe, our passenger-car sales surpassed Ford for the first time and set a new record. We benefited from an aggressive sales and manufacturing program in eastern Europe.
- EDS had record revenues and profits, GM Hughes Electronics had record revenues, and GMAC posted its second best earnings ever.

Even with these and many other accomplishments, the Corporation recorded an overall loss for 1990. GM took a $2.1 billion special restructuring charge in the third quarter. This restructuring charge was part of our plan to position the company for stronger performance in the future. In addition, GM lost $1.6 billion in the fourth quarter. GM's 1990 calendar-year loss was $2.0 billion. Excluding the special charge, GM earned $102 million in 1990.

We cannot blame the financial results totally on the conflict in the Middle East, the plunge in consumer confidence, or the emerging U.S. recession. While we expect the U.S. economy to start a gradual recovery during 1991, an economic turnaround alone will not secure the financial return that we want for our stockholders. Therefore, it is essential that we improve our performance, reduce our costs, and make GM known as a company that cares most for its customers.

While we are proud of our improvements in quality, productivity, and efficiency, there are many capable automotive manufacturers who produce quality vehicles at competitive prices. The GM team is committed to increasing our rate of progress. We will continue to emphasize quality improvement in everything we do. To reduce our costs, our organization is becoming leaner. We are changing our approach to design and manufacturing to eliminate waste and are constantly seeking out new ways to bring our products to market faster.

General Motors must show that it cares about its customers in its relationship with its employes, in the design and manufacturing of high-quality, appealing products, and in the way our dealers sell and service our vehicles. GM has focused on customer satisfaction as the surest route to fulfill its firm commitment to providing a good return for our stockholders.

As I write this, GM people along with many others are engaged in the Persian Gulf conflict. I know you join me in praying for an expeditious end to the conflict with minimal loss of life.

We have many challenges ahead. But with all the members of the GM team working for continuous improvement in our products, operations, and results, I am confident that we can build a bright future for GM and all those who have a stake in the Corporation's success.

Robert C. Stempel
Chairman

February 14, 1991

Bob Stempel and a new management team took office on August 1, 1990. Here, Mr. Stempel addresses issues that concern GM stockholders, employes, and customers.

Joined GM in 1958 as chassis engineer. Named vice president and general manager of Pontiac in 1978 after key posts at Oldsmobile and Chevrolet. Headed Opel, Chevrolet, and B-O-C; named executive vice president and Board member in 1986. Became president in 1987 and chairman in August 1990.

■ As GM's new CEO, what's your number one priority?
My number one goal is to see to it that GM's resources are effectively focused on our single most important operating objective. That objective is to exceed the expectations of our customers. Only by accomplishing this goal can we hope to achieve the level of operating performance which will provide real security for our employes and a favorable rate of return for our stockholders.

■ How can you ensure that dealers do their part?
Over the past few years, we have analyzed and evaluated the retail selling process from just about every conceivable angle. Apart from the quality of the vehicle itself, no aspect of our business exerts a greater or more direct impact on customer satisfaction than the personal experience a customer has when he or she visits a dealer showroom.

For this reason, GM has focused a tremendous amount of attention on making the kind of improvements our customers have every right to want and expect. Dealer service capabilities have been greatly expanded. Far-reaching revisions in GM's basic Sales and Service Agreement represent a truly dramatic step forward in the vital relationships with our dealers.

■ The year 1990 was a difficult one for the domestic automotive industry. What about 1991?
By any scenario, it's going to be another difficult year. Developments in the Middle East compounded the economic uncertainty in the United States. Consumer confidence is at an extremely low level. This uncertainty is tied to the depth and duration of the current recession and to the ultimate resolution of the Middle East crisis and its impact on energy prices.

Hopefully this situation will be short-lived. But we couldn't afford to wait. Although it was an extremely difficult decision, we had to cut the quarterly dividend on the \$1-2/3 par value common stock. Reducing it to \$0.40 a share was part of a comprehensive cost-cutting and cash-conservation program to strengthen GM's competitive position and provide stockholders with a maximum return over the longer term.

■ Regarding the North American automotive market—what is GM's potential?
This past year was rough—a year of ups and downs. Our dealers reduced their car inventories by about 200,000 units. On the other hand, GM's market share was up; we were the only domestic manufacturer to gain share—in cars, trucks, and total vehicles—in 1990. GM outsold its nearest competitor by 1.8 million vehicles last year, marking more than 50 consecutive years of industry sales leadership. We have a very aggressive plan going forward for new products, new powertrains, and other customer-oriented features. I am convinced GM is doing what it takes to remain an extremely strong competitor.

■ How can you stem the Japanese onslaught?
As far as I am concerned, we can do it by producing the highest quality cars and trucks and by caring for our customers. These two priorities must be pushed ahead of everything else. Over the last decade we committed \$77 billion worldwide, which included construction or modernization of 39 U.S. assembly, stamping, and manufacturing plants. We essentially reshaped the entire organization. That vision and commitment now have begun to pay off—in steady improvements in market share and in outstanding product quality gains. We plan to continue introducing new models, with virtually all of our cars and over 40 percent of our trucks new or restyled over the next five years.

GM has had a number of good years in Europe. How long can you keep up the pace and what are your strategic objectives in eastern Europe?
Jack Smith, who heads our international operations, addresses this question in more detail further on in the Report. But I see a very good outlook for our European operations. Several of our assembly plants are operating at 100 percent of their capacity. Developments in eastern Europe have opened up enormous opportunities for our overseas operations. Some of our component plants are running flat out and can barely keep up with the orders coming from these emerging countries. There is tremendous pent-up demand.

Regarding the last labor agreement: What did you give, what did you get?
To me, the agreement was a "win-win" proposition for both sides this time around. The new provisions strengthen both GM and the UAW and at the same time offer important additional protection for our employes. We must make more progress in controlling benefit costs, particularly health care, and have agreed to work with the union in addressing this serious issue.

How would tougher fuel-economy standards that are being proposed affect GM?
The problem comes from having to meet fuel economy, environmental, and safety standards—all at once. Unfortunately, the changes necessary to meet all three of these objectives often operate at cross-purposes. Our plan is to do everything that is technically and economically feasible to meet tougher requirements, but to do so with no loss in customer satisfaction. It is an extremely tall order, but General Motors is a leader when it comes to producing fuel-efficient vehicles.

What do you consider GM's four or five most important strengths?
It's hard to limit the choices to that few. The list certainly would include outstanding employe, dealer, and supplier relationships, along with a strong and diverse stockholder and investor base. We also have the largest owner base. Beyond that, I would look to some unique characteristics of our current organizational setup. We have our financing subsidiary, General Motors Acceptance Corporation. We have EDS and GM Hughes Electronics Corporation—both bringing us the kind of advanced technology that really gives us competitive advantages. We also have an outstanding worldwide work force on board to make our Corporation succeed.

How would you describe your management style?
I believe in teamwork. And to me, that says it all. My principal responsibility is to make sure that GM has a sound strategic business plan; that the plan is clearly understood throughout the organization; and that every member of the team has the resources and motivation needed in order to contribute their very best. In the pages that follow, the other members of our management team relate GM's strengths to their areas of responsibility.

LLOYD E. REUSS
President

Joined GM in 1957 as experimental engineer. After key posts at Chevrolet and Buick, named vice president and general manager of Buick in 1980. Named executive vice president for North American car groups and member of Board in 1986. Became president in August 1990.

Our top priority is to improve our profitability in North America. To this end, we have made progress in four key areas: improving quality, lowering costs, speeding new models to market, and satisfying our customers. We're going for total customer satisfaction not only with the product itself, but throughout the entire sales, service, and ownership experience, with our bumper-to-bumper warranties, roadside service, and other innovations.

It's clear that we're beginning to get our quality message out. The corporate advertising program on quality has been successful. And we've been getting a lot of word-of-mouth help from GM employes and retirees, thanks to a special program that enlists their support.

Our cars and trucks are getting better and better. We know that 96 percent of GM new-car owners, contacted after the first six months of ownership, would recommend a GM product to others. That's a big jump in the past three years—and it directly reflects improved quality.

We're enormously proud, of course, to have our Cadillac Division win the Malcolm Baldrige National Quality Award, the country's highest honor for quality in business. We're equally proud that a number of GM cars received top ratings according to J. D. Power's 1990 Initial Quality Survey. These include the Chevrolet Beretta and Lumina; the Oldsmobile Ninety Eight; Buick's LeSabre, Century, Regal Coupe, and Electra; and Cadillac's DeVille/Fleetwood. Also, in J. D. Power's 1990 survey of domestic manufacturers, GM was the highest-ranked nameplate in vehicle dependability after five years of ownership.

We've taken substantial cost out of all of our operations by reducing waste and non-value-added work. For example, the chain of command at many plants has been reduced from six to four levels. We streamlined our sales organization by closing regional offices throughout the country and using state-of-the-art technologies to better communicate with our dealers and to better service our customers.

At the same time, a corporate technology plan has eliminated redundant divisional programs. And product simplification efforts have reduced the number of models offered by over 15 percent since 1986.

We are getting new models to market quickly. We reached production of our 1991 Buick Park Avenue—a major redesign—in just 31 months.

GM's new Powertrain Division, which combined our two separate engine operations and one transmission division into a single unit, is a good example of consolidation. Today we have one great engine/transmission team focused on the outside competition, and we're producing powertrains that are truly world class. Through systems focus consolidation, we have cut the number of GM component divisions to nine from 13 just two years ago.

The final piece of our plan is to work more closely with our key stakeholder groups. We've created new, high-level policy forums, so that dealers and suppliers can interact directly with me and other GM policymakers.

Looking ahead, I am more confident than ever of GM's ability to compete successfully. We know what we have to do. We will succeed only by offering cars and trucks our customers want, with the value they expect and the quality they demand.

"We will succeed only by offering cars and trucks our customers want, with the value they expect and the quality they demand."

WILLIAM E. HOGLUND
Executive Vice President

Joined GM in 1958. In 1980 named vice president and general manager of Pontiac; in 1985, president of Saturn and in 1986, group executive of B-O-C. Named executive vice president of Automotive Components, Power Products and Defense in 1988. In August 1990 added Service Parts Operations.

"Many people thought the Components Group was a competitive disadvantage…With significant changes in strategy, we have begun to see a major turnaround."

Our Automotive Components Group designs and manufactures automotive electrical, chassis, powertrain, and body parts for GM and outside customers. It's a huge organization with 200,000 employes and annual sales of $30 billion.

Just four years ago, many people thought the Components Group was a competitive disadvantage. However, with significant changes in strategy, we have begun to see a major turnaround.

Our growing sales to non-GM customers provide a clear indication of this turnaround. The only way to win this business is by delivering world-class components at competitive prices. In one recent success, the Saginaw Division's Detroit Forge plant won a five-year contract to produce 3.7 million axle shafts a year for Ford. AC Rochester Division sells catalytic converters to automakers in Japan and South Korea. And we see excellent opportunities in Europe, where more than one-third of our component sales are already made to outside customers. European demand will increase for air conditioning, power steering, and other high-value options and is also growing for emission control and engine management systems.

ACG serves, in addition, as a unique and valuable partner to GM vehicle operations going into new markets. Component manufacturing ventures can help generate export credits which allow local GM operations to import parts to assemble cars.

ACG's major customers are the GM vehicle groups. We are supporting these relationships with a three-part program of continuous improvement.

First, ACG and the vehicle groups have committed to partnerships aimed at enhancing quality and lowering costs.

Second, we have shifted from a component to a systems focus. We no longer look at vehicles as being made up of hundreds of components, but instead see them as a combination of integrated systems. This change is enabling us to make better systems more efficiently while integrating technology more fully.

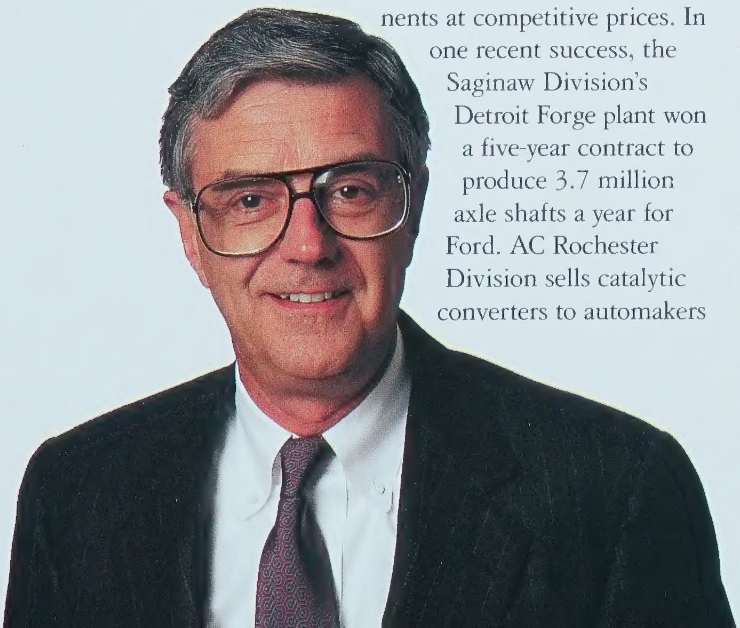
Third, ACG is implementing synchronous manufacturing principles—an important step to reduce inventories, better utilize factory floor space, and reduce production lead times.

Many challenges remain for GM's components divisions, but we believe we have the strategies and the commitment from our people to meet these challenges head-on and be winners in the next decade and beyond.

Service Parts Operations, another critical part of GM, supplies parts to dealers and the aftermarket. In the past few years, SPO has streamlined its operations to improve inventory control and provide better service to its customers.

The Power Products and Defense Operations Group helps diversify GM's sales and earnings base. Allison Gas Turbine is having great success, winning major government contracts for new helicopter and vertical-takeoff aircraft engines. Electro-Motive Division continues to be a world leader in railroad locomotives and is achieving significant cost and quality improvements. Allison Transmission ranks first in the manufacture of heavy-duty automatic transmissions, and we see continued growth in that market.

In short, the Power Products and Defense Operations Group offers excellent business opportunities for the future.




All of GM shares Cadillac's pride in winning the Malcolm Baldrige National Quality Award and salutes Cadillac dealers for receiving top ratings in overall customer satisfaction.


Cadillac

JOHN F. SMITH, JR.
Vice Chairman

Joined GM in 1961. Named comptroller in 1980; director, worldwide product planning, in 1982. Elected GM vice president in 1984. Canada and Europe assignments led to post as head of GM international operations in 1988. Named to Board as vice chairman in August 1990.

It's gratifying, of course, to look back on a year of record sales for GM's international operations—in fact, for the sixth year in a row.

We sold 2.4 million cars and trucks outside the U.S. and Canada in 1990. In Europe, Opel and Vauxhall sold more than 1.5 million cars. That boosted our market share to 11.6 percent, up half a point in a market that was down slightly.

But it's even more inspiring to look ahead to the growth opportunities in our worldwide markets.

We're well prepared for the coming European common market. We have a pan-European management and strategy and a very competitive product range, with more new cars to come. Our operations and our sales are well balanced throughout Europe—not overly dependent on any particular national markets. Our assembly and manufacturing operations are in 15 countries, and Opel or Vauxhall was first, second, or third in 12 of the 16 national markets of western Europe in 1990.

We're boosting our manufacturing capacity and productivity with more third-shift operations and other efficiency improvements. And we are building team concept and Quality Network organizations to make better use of the skills and teamwork of all our employes.

> "Looking ahead, global competition will be the name of the game...GM operations will have to compete—and win—against the world's best."

GM Europe is moving decisively into the emerging markets of eastern Europe. Opel has taken first place in new-car sales in the areas that were East Germany, and we've established new dealer networks in Poland, Hungary, Czechoslovakia, and Yugoslavia.

We are moving ahead with our production operations in eastern Europe. They will help us fill our demand for more new cars, and also enable us to be producers and exporters in new markets where we want to sell. Opel broke ground for our new assembly plant in Eisenach, in eastern Germany, on February 7, 1991.

Saab Automobile AB, our new joint venture, is helping us meet our capacity needs by building some of our very successful Opel and Vauxhall Calibra coupes in Finland. Saab's sales and financial results in 1990 were hit by softness in its major markets, Sweden, the U.S., and the U.K. Longer-term, we're working to reduce Saab's cost levels and to improve Saab's and GM Europe's positions in the premium car markets.

GM is also working to grow in other international markets. In 1990, we set up a regional headquarters in Hong Kong to strengthen our operations and coordinate new business in the Asia/Pacific area. We also established a new office in Thailand and expanded our presence in Indonesia.

In Latin America, 1990 results were down because of the economic situation in Brazil. But our long-term potential looks much better, now that market-based economic policies and democratic governments are in place in the major countries.

Looking ahead, global competition will be the name of the game. Everywhere we do business, our GM operations will have to compete—and win—against the world's best.

We made progress in 1990. We need much more in the years ahead. We have the people, products, and organization—and most important, the dedication—to do it. Our strategy is based on competitive products of quality and value, and caring service, and our focus is firmly on the customer.

ROBERT T. O'CONNELL
Executive Vice President

Joined GM in 1965 in Treasurer's Office. Elected treasurer in 1978 and comptroller in 1982. Named vice president of the Marketing and Product Planning Staff in 1984. Became executive vice president of the Finance Group and GMAC in 1988 and serves as chief financial officer.

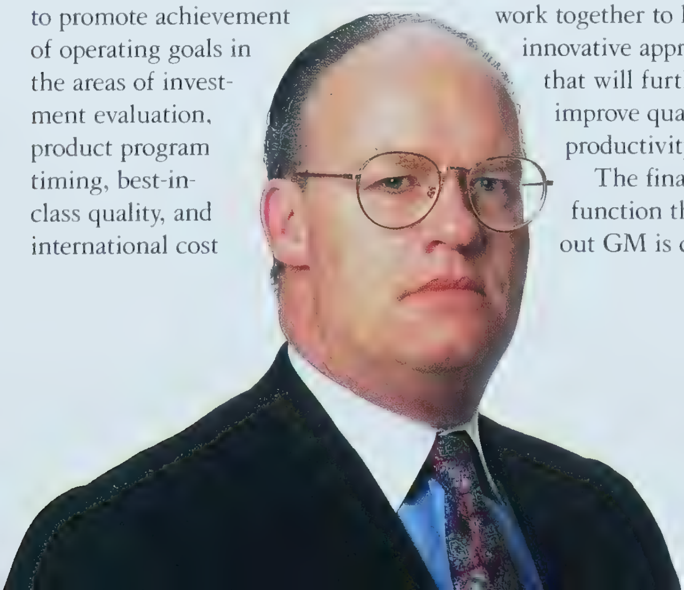
I see the '90s as a challenging decade in General Motors history—one in which GM's success will flow from creative partnership. Thus, Finance will help the Corporation and its major operating units establish and achieve their strategic objectives.

Sound yet dynamic financial policies and systems empower competitiveness. Human and capital resources must be strategically allocated to investment opportunities in GM's diverse worldwide business operations.

The only realistic way to provide job security for our employes and earn an attractive return for our stockholders is by building quality products, at competitive prices, that provide better value for customers. In order to do that, all GM employes—hourly and salaried—must strive for continuous improvement in everything we do. We need to work together to look for innovative approaches that will further improve quality and productivity.

"GM's success will flow from creative partnership...international cost competitiveness...and strategic allocation of human and capital resources to diverse worldwide business operations."

GM's long-standing management framework of centralized policy formulation with decentralized operating responsibility. Within this framework, the financial function fosters an improved strategic business management capability to promote achievement of operating goals in the areas of investment evaluation, product program timing, best-in-class quality, and international cost



The financial function throughout GM is committed to supporting and participating in this company-wide effort—first, through the achievement of excellence in our direct areas of responsibility; second, by working with GM's business units to help improve their effectiveness in capital spending and in marketing and other expense areas; and third, by providing information and analytical support to the GM Management Committee.

General Motors Acceptance Corporation plays a central role in GM's plans. GMAC is the largest consumer financing operation in the world and over the last ten years has been the most profitable GM business sector. Its top priorities are to help the North American vehicle divisions meet their business objectives and to support GM's international operations in their aggressive pursuit of new business opportunities.

GMAC must remain responsive to the needs of the vehicle divisions and GM dealers and continue to strengthen the innovative relationships that have developed between GMAC and these organizations.

The people in GM's financial activities have a major role to play—both at the operational level and at the Management Committee level. Ultimately, our objective is to ensure that our business objectives are clearly defined and communicated and to help the Corporation achieve those objectives so that the profit earned can sustain the long-term competitiveness of our Corporation.

OPEL/VAUXHALL CALIBRA

GM is strong, profitable, and growing in Europe. Modern production facilities and aggressive marketing of a solid product lineup are paying off in the international marketplace.

OPEL VECTRA/VAUXHALL CAVALIER

ROBERT J. SCHULTZ
Vice Chairman

Joined GM in 1955. Was assistant chief engineer of Oldsmobile, chief engineer at Buick, and general manager of Delco Electronics. Elected GM vice president in 1985. Appointed executive vice president in charge of EDS, GMHE, and Technical Staffs in 1989. Became vice chairman and member of Board in August 1990.

■ For automakers, there is no greater challenge today than meeting customers' needs by bringing new, high-quality vehicles to market quickly and at competitive prices. Technology is a key to meeting this challenge.

GM is the auto industry technology leader. We acquired Electronic Data Systems (EDS), Hughes Aircraft Company, and Group Lotus in the mid-1980s. We combined Hughes Aircraft with Delco Electronics to form GM Hughes Electronics (GMHE). With EDS, GMHE, and Group Lotus available to work closely with the GM Technical Staffs Group, we have created within GM a technology powerhouse unlike any other in the world. Increasingly, we are applying this unique resource to competitive advantage.

Projects are under way throughout General Motors to increase the technology content of our vehicles, to make effective use of advanced technology in our design and manufacturing processes, and to develop technology-based products and services for sale to outside customers in government and industry.

Today's cars and trucks are equipped with everything from electronically controlled engines, transmissions, and brakes to air bags. To manage these and other functions, vehicles contain so much computing power they are starting to resemble jet aircraft. In fact, today's car has nearly a mile of electric cable and four times the computing power of the Apollo spacecraft guidance system that landed men on the moon. By the mid-1990s, electronic systems could account for 10 percent of total vehicle cost and could represent a worldwide market of $35 billion.

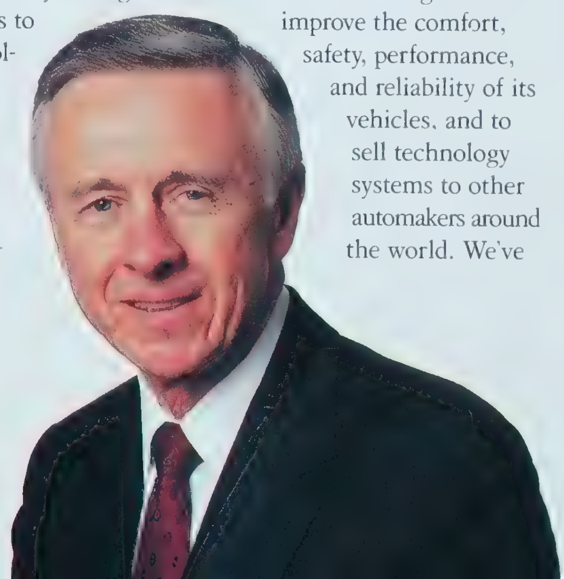
> "GM sees a major opportunity to add new technologies that improve the comfort, safety, performance, and reliability of its vehicles..."

GM sees a major opportunity to add new technologies that improve the comfort, safety, performance, and reliability of its vehicles, and to sell technology systems to other automakers around the world. We've identified 100 top technology initiatives for the coming decade, and to support these initiatives we're working on more than 1,000 projects to have technology ready when the market demands it.

We are also applying technology to shorten GM's product development times and beat the competition to market. The C4 project is an example. C4 integrates computer-aided design, engineering, and manufacturing at the preproduction stage of the product cycle, reducing new product development time by several months. Using C4 and other tools, the 1991 Chevrolet Caprice was developed and introduced in 36 months. C4 is a great example of EDS and GMHE working in partnership to support GM's vehicle groups.

EDS and GMHE are also working jointly to develop the world's largest private satellite network for GM. When completed in 1993, this network will connect the Corporation and its 9,400 car and truck dealers in the U.S., strengthening communications and providing a valuable tool to improve customer service.

In addition, GMHE and EDS are major, successful businesses in their own right, helping diversify GM's earnings base. GMHE is a premier company in defense electronics, automotive electronics, and satellite communications; EDS is the world leader in systems integration and communications services. If they were listed in the Fortune 500, GMHE would rank 35th in sales and EDS 76th. It's nice to have partners like these.



ALAN SMITH
Executive Vice President

Joined GM in 1956 in Treasurer's Office in New York. Elected treasurer in 1973, vice president of Financial Staff in 1975, and executive vice president and member of the Board in 1981. Named to present position in charge of Operating Staffs and Public Affairs and Marketing Staffs in June 1988.

"Any organization's most important assets are its human assets": In a merciless competitive environment, those nine words sum up the spirit and focus of the Operating and Public Affairs Staffs.

Their most crucial function, of course, is to support and enhance the mission of the operating groups and divisions to give the car and truck buyer the kind of product quality, value, and personal care that will make GM increasingly successful. The groups and divisions have the lead day-to-day responsibility for winning customers and preserving their loyalty, while the staffs provide information and special skills needed to ensure that all those activities are coordinated and on target.

The staffs also play a vital research and development role in anticipating, monitoring, and analyzing the external environment—including economic, market, consumer, public policy, and public opinion trends.

The key task for each staff is ultimately one of communication: listening to the voice of the car and truck buyer, to the voice of the employe as well as the voice of the competitive arena, and then communicating the right information in the right way—in short, communicating *effectively*. Reflecting this emphasis, we dropped the term "Public Relations" at the corporate level in 1990 and created a new Communications and Marketing Staff.

> "We must be constantly sensitive to the ultimate customer...in everything we do: Customer satisfaction, employe satisfaction, and organizational effectiveness go hand in hand."

We must be constantly sensitive to the ultimate customer, the car and truck buyer, in everything we do: Customer satisfaction, employe satisfaction, and organizational effectiveness go hand in hand.

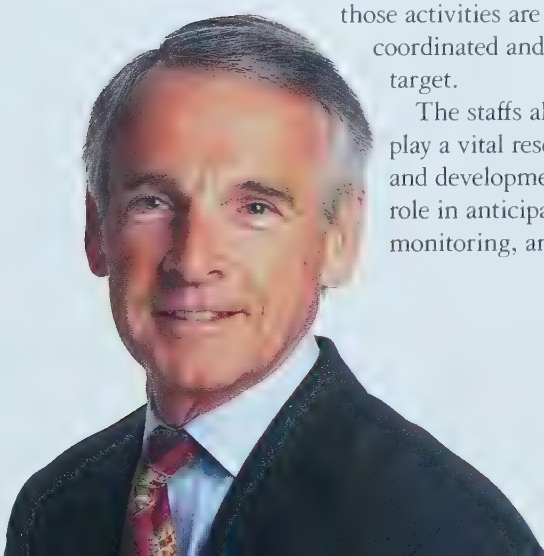
This was the spirit of the new 1990 agreement with the UAW, which provides the basis for new levels of trust between GM and its employes while recognizing everyone's mutual concerns for job security as well as GM's competitiveness.

Similarly, we reached new sales and service agreements with our dealers in 1990 to help clarify the mutual focus of the dealer and the company on that ultimate customer. And we are increasing minority participation in our dealer body in line with our broader commitment to minority involvement in all phases of the business.

The staffs also have special expertise in helping to assure that GM is a model corporate citizen in such areas as safety, the environment, and energy efficiency. We believe GM's record is second to none, but we are also committed to continuous improvement in all areas. With more and more people adding good corporate citizenship to their criteria for purchase decisions, we view this commitment itself as a competitive advantage in the marketplace.

In the public policy arena, we have an obligation to respond to societal demands in ways that are consistent with the overarching goal of satisfying our customers. That's why GM has taken strong stands on legislative and regulatory proposals in such areas as fuel economy, emissions control, alternative fuels, and safety.

The challenges will only get tougher, not easier, as we move forward. Because change itself is the only constant in today's competitive arena, our recognition of the importance of people and of their ability to adapt will be more vital than ever to our success.



HX3 HYBRID

The HX3 hybrid experimental car is GM's "sedan of the future." It combines gas and electric power to achieve top fuel economy and excellent emission characteristics.

As a responsible global corporation, GM is deeply committed to the environment. Our approaches to electric-powered transportation bring together three important themes: energy, safety, and clean air.

IMPACT

GM has announced plans to produce and sell the Impact, an electric car that performs as well as internal combustion-engine vehicles.

"At Saturn, leadership is rooted in a philosophy of people...Through our consensus decision-making process, we've charted new approaches to traditional ways of doing business."

Richard G. LeFauve
President, Saturn Corporation

Saturn's entry into the marketplace has been very successful. We're attracting our target customers, full production is coming on line at Spring Hill, and our retailers report strong consumer enthusiasm.

There are many reasons for our initial success. The Spring Hill, Tennessee, complex brings together some of the finest examples of technology and processes from all over General Motors. The use of lost-foam casting, our waterborne paint system, and the application of our unique skillet processing line have set new benchmarks in manufacturing capability and efficiency. By continually focusing on the integration of people, processing, and product, we are attaining quality that matches or exceeds world-class competitive benchmarks.

These achievements result from the working partnership among Saturn team members. The bedrock of Saturn's success is a new approach which includes UAW leadership in decisions that affect all aspects of the business. The success of this partnership has exceeded our expectations and demonstrates what a company can achieve when its union partners are involved in both the strategic and the tactical decisions of the business.

To be successful in today's market, you have to be a leader. At Saturn, leadership is rooted in a philosophy of people, not managed by rules and regulations. Through our consensus decision-making process, we've charted new approaches to traditional ways of doing business.

These bold new approaches to business management are effective and are becoming the competitive advantage for Saturn's long-term success. Every team member at Saturn is pledged to success—success based on low cost and driven by world-class quality.

Nowhere is that more in evidence than in our relationship with our suppliers and retailers—built on the same successful principles developed within the Saturn team. We're working arm in arm with our suppliers to assure design and process validation only at the highest quality levels that exceed customer expectations.

At the retail level, we've introduced new approaches enabling retailers and the manufacturer to work more closely together to satisfy our customers. With 58 retail operations open and another 72 scheduled to come on line in the next six months, our early sales results tell us we are on target.

Attracting import and non-GM domestic buyers, we are exceeding Saturn's first-year outlook of generating 65 percent "plus" business to GM and are already achieving our third-year target of 80 percent. Early buyer-satisfaction studies indicate 98 percent would enthusiastically recommend the purchase of a Saturn to a friend or relative.

Saturn's prices start at $7,995, $8,595, and $10,295, respectively, for the SL, SL1, and SL2 sedan models and $11,775 for the SC sports coupe. Saturn's Owner Protection Package includes a no-deductible, bumper-to-bumper, three-year/36,000-mile basic limited warranty (except tires and battery), 24-hour roadside assistance, and a 1991 charter buyer moneyback guarantee.

Our 1991 launch will continue through the year and give us an excellent platform for moving into 1992 with a commitment to customer satisfaction backed by the recognition of quality products.

SATURN

SATURN

Richard G. LeFauve
GM Vice President
and President,
Saturn Corporation

1991 SPORTS SEDAN SL1

A top contender in both price and value, the expressive, aerodynamic Saturn Sports Sedan SL1 combines the exterior dimensions of a subcompact with interior space found only in larger cars. Its distinctive ride and excellent fuel economy have redefined customer expectations in the small-car market.

CHEVROLET

Jim C. Perkins
GM Vice President and General Manager, Chevrolet Motor Division

1991 CAPRICE

The sleek, new Caprice station wagon features a smooth, comfortable ride with the safety and security of four-wheel, anti-lock brakes and a driver-side air bag. It will seat up to eight passengers or hold up to 92.7 cubic feet of cargo.

Right: Chassis department employes install anti-lock brake systems at the C-P-C Willow Run plant. GM will offer ABS systems on all cars and light-duty trucks by the 1994 model year.

Left: Chevrolet's Caprice Classic LTZ, Motor Trend magazine's "Car of the Year."


THOMAS BIEGAS
Assembler
C-P-C Willow Run Assembly
Ypsilanti, Michigan
DETROIT
BRAD BURR
Assembler
C-P-C Willow Run Assembly
Ypsilanti, Michigan
General Motors is a world leader in automotive safety research and technology. We are constantly working to build safer vehicles.

1991 GEO TRACKER The Geo Tracker convertible is a high-energy, fuel-efficient, fun machine that will take you where you want to go—on road or off. The Tracker convertible is available in three models and six new colors. It is offered in 4x4 and 4x2 versions.

Right: Paint department employes at the CAMI plant keep a watchful eye on quality, insuring that every high-spirited Geo Tracker has a gleaming, distinctive appearance to match its adventuresome personality.

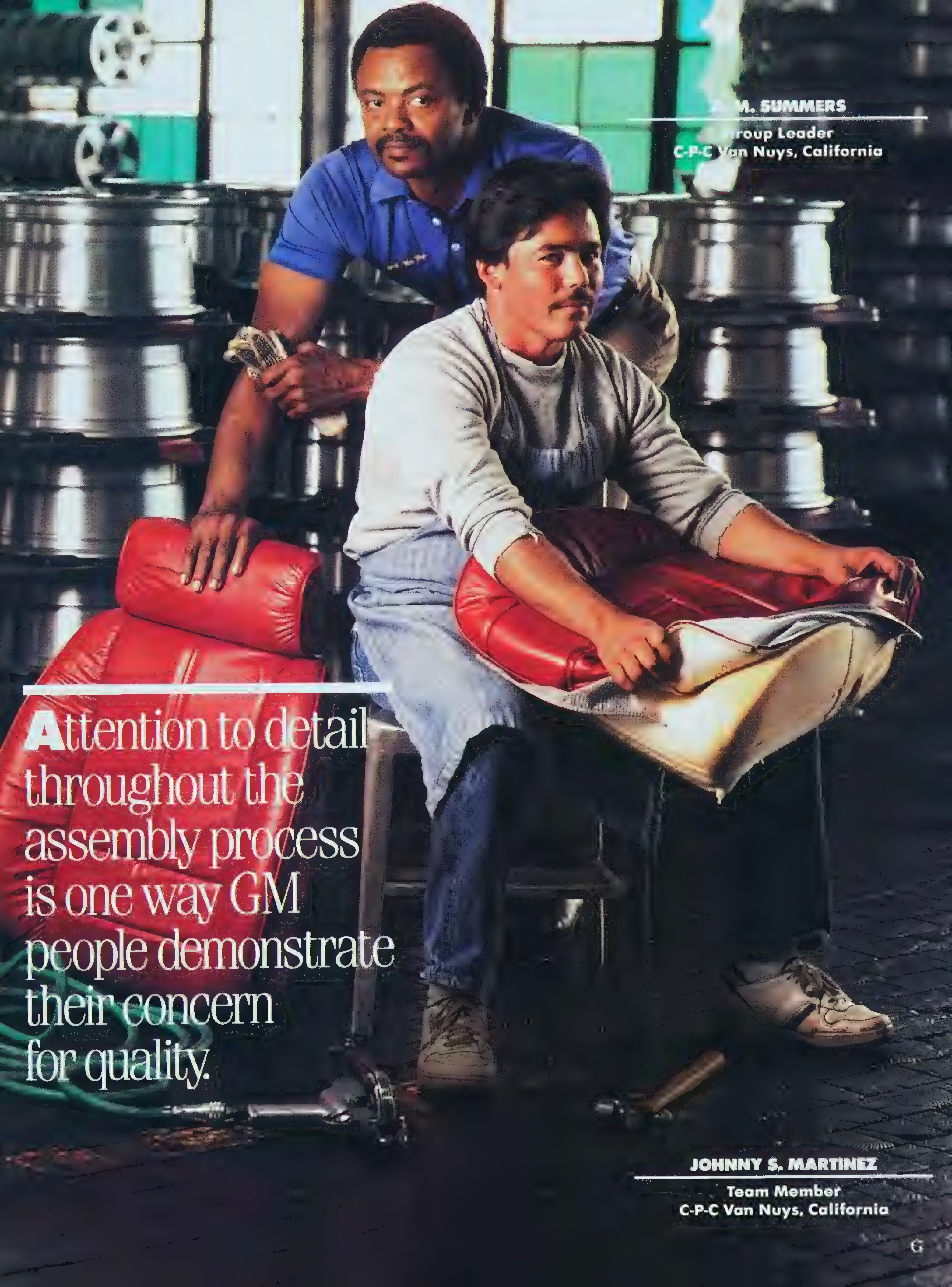

A world-class painting process adds a sparkling finish to every new, versatile Geo Tracker.
JOHN FISHER
Team Leader-Paint Department
CAMI Automotive, Inc.
Ingersoll, Ontario, Canada
DAVE HOWSE
Inspector-Paint Department
CAMI Automotive, Inc.
Ingersoll, Ontario, Canada

PONTIAC

John G. Middlebrook
GM Vice President and General Manager, Pontiac Motor Division

1991 TRANS AM Pontiac's 1991 Trans Am convertible arrives as a bold, powerful, fun-to-drive, classic American street machine. The hot, new aero styling package includes a redesigned rear deck spoiler, taillamps, front and rear fascias, and skirting.

Right: Cushion room employes attach fabric to seat cushions for installation in the Pontiac Firebird and Chevrolet Camaro.


M. SUMMERS
roup Leader
C-P-C Van Nuys, California
Attention to detail throughout the assembly process is one way GM people demonstrate their concern for quality.
JOHNNY S. MARTINEZ
Team Member
C-P-C Van Nuys, California

OLDSMOBILE

J. Michael Losh
GM Vice President and General Manager, Oldsmobile Division

1991 CUTLASS SUPREME SL

The 1991 Cutlass Supreme SL sedan, Oldsmobile's luxury member of the Cutlass Supreme family, is an innovative, contemporary vehicle with a superior blend of style and flair. The SL model has an expanded list of standard features for 1991.

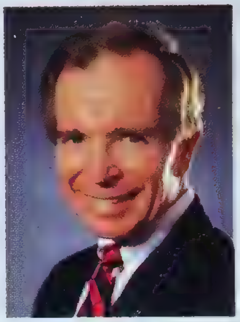
Right: Installing precision electrical components on Oldsmobile Cutlass models requires close coordination between manufacturing and assembly plant team members.

GM's high technology manufacturing units supply assembly plants with state-of-the-art automotive electronic components.

LISA STACEY
Field Representative
Delco Electronics Corporation
Kokomo, Indiana

PAUL BALLEW
General Supervisor
Trim Department
C-P-C Doraville, Georgia

Buick



Edward H. Mertz
GM Vice President and General Manager, Buick Motor Division

1992 ROADMASTER The legendary Roadmaster nameplate returns as a four-door, six-passenger 1992 model. Meticulous engineering, aerodynamic design, and electronic engine sophistication produce a pleasing combination of fuel efficiency and responsive, smooth power.

Right: Quality audit employes are part of the team that performs final inspections on the new Buick Roadmaster. The final quality audit process provides immediate feedback to management and employes involved in the assembly operation.

DOYLE JENNINGS

Supervisor—Audit Activities
C-P-C Arlington, Texas

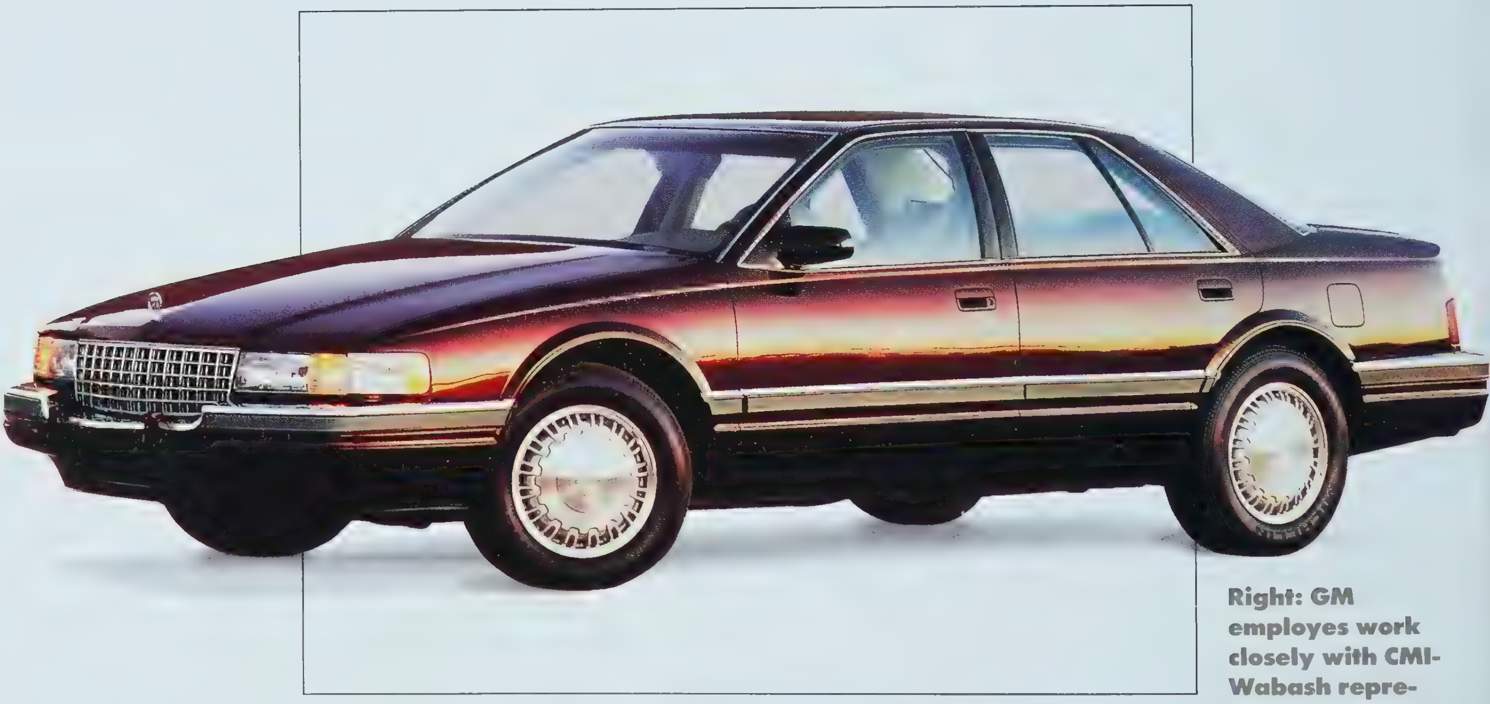
DANIEL BORGMAN

Vehicle Quality Auditor
C-P-C Arlington, Texas

The focus of the final quality audit team is on customer satisfaction. This commitment is shared by everyone involved in the assembly operation.

CADILLAC

John O. Grettenberger
GM Vice President and General Manager, Cadillac Motor Car Division



1992 SEVILLE Created with the luxury car buyer in mind, the totally redesigned and resized 1992 Seville combines a fresh, distinctive appearance with a longer wheelbase. Available later this year, it will offer improved ride and handling and a wide array of outstanding comfort, convenience, and safety features.

Right: GM employes work closely with CMI-Wabash representatives to continually improve product quality. Intake manifolds from CMI-Wabash are used in the Cadillac-exclusive 4.9-liter engine built at the Livonia engine plant.

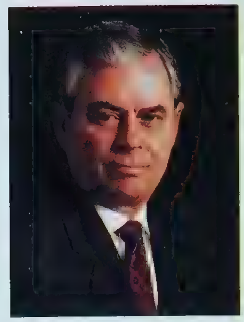
RICHARD J. WYLIE
Vice President and General Manager
CMI-Wabash Cast, Inc.
Wabash, Indiana

ERLEAN HOOPER
Quality Operator
GM Powertrain Division
Livonia Engine Plant
Livonia, Michigan

General Motors purchases parts, materials, and services from suppliers and carriers who offer the best quality and value. We owe that to our customers.

M

INTERNATIONAL



Robert J. Eaton
GM Vice President and President, General Motors Europe

OPEL CORSA/ VAUXHALL NOVA

Offering both exceptional fuel economy and outstanding versatility, Opel Corsa/ Vauxhall Nova models are available in both hatchback and notchback models, featuring optional 1.4-liter gasoline or 1.5-liter diesel engines.

Right: GM España employes take extra care when installing windshields in Opel and Vauxhall cars. In the background, special effects lighting rooms, used to examine sheet metal, are part of the quality process that enables GM to produce world-class products.

GONZALO FERNANDEZ SALINAS

Specialist
GM España, S.A.
Figueruelas, Spain

JOSÉ SIMON CANDADO

Supervisor
GM España, S.A.
Figueruelas, Spain

GM's international strategy is built on competitive products of quality and value, caring service, and a focus on the customer.

GMC TRUCK

John D. Rock
General Manager
GMC Truck Division

1991 SONOMA SLE CLUB COUPE

The 1991 Sonoma SLE, from its rugged chassis to the gleaming finish, is engineered and manufactured to meet the highest standards of quality. All 4x4 Sonoma models are equipped with the 4.3-liter Vortec V6, the most powerful V6 engine available in a compact pickup.

Results of Operations

In a very challenging year for the automotive industry, General Motors incurred a net loss in 1990 of $1,985.7 million, or $4.09 per share of $1-2/3 par value common stock. This loss included a special restructuring charge of $2,087.8 million after taxes to bring GM's cost structure more in line with the projected level of North American operations. Excluding the special restructuring charge, GM earned $102.1 million in the 1990 calendar year.

The one-time charge covered the cost of closing four previously-idled U.S. assembly plants, as well as provision for other North American manufacturing and warehouse operations which will be consolidated or cease operating during the next three years.

In 1989, net income of $4,224.3 million was down 13.0% from 1988 due primarily to lower volume in the North American automotive market in the fourth quarter of the year and increased sales incentives due to competitive pressures. Net income per share of $1-2/3 par value common stock was $6.33 in 1989, down 11.7%.

In 1989 and 1988, results were favorably affected by tax benefits related to the utilization of loss carryforwards at certain overseas operations of $220.7 million and $353.9 million, or $0.36 and $0.58, respectively, per share of $1-2/3 par value common stock.

Sales and revenues declined 1.8% to $124.7 billion in 1990. Dollar sales and revenues include price adjustments of $0.3 billion in 1990, $1.8 billion in 1989, and $1.1 billion in 1988.

Under the new National Labor Contract between GM and the UAW, effective October 1, 1990, base wages were increased 3% in the first year of the agreement with 3% lump-sum performance bonus payments to be made in the second and third years. A $600 holiday bonus also is payable in December of each year of the agreement.

Earnings (Loss) on common stocks as a percent of average common stockholders' equity (including common stock subject to repurchase) was (6.1%) in 1990 compared with 12.0% in 1989 and 14.6% in 1988.

Profit margin (net income (loss) as a percent of net sales and revenues), with General Motors Acceptance Corporation (GMAC) on an equity basis, was (1.8%) in 1990, 3.8% in 1989, and 4.4% in 1988. Cost of sales and other operating charges as a percent of net sales and revenues of General Motors operations was 87.0% in 1990, 83.6% in 1989, and 84.1% in 1988.

Automotive Business

Worldwide factory sales of vehicles to GM dealers were 7,451,000 units in 1990, down 5.7% from 1989. GM unit sales declined 11.8% in the United States and 3.3% in Canada, partially offset by an increase of 5.7% overseas, including a 5.0% gain in Europe.

GM's worldwide factory sales of cars in 1990 were 5,394,000 units, down 5.3% from 1989. Truck sales, which account

EMPLOYMENT AND PAYROLLS

	1990	1989	1988
Average worldwide employment			
GM (excluding units listed below)	616,000	628,500	624,000
GMAC	18,600	18,400	18,500
EDS	59,900	55,000	47,500
Hughes	66,900	73,200	75,700
Average number of employes	761,400	775,100	765,700
Worldwide payrolls (in millions)	$28,778.6	$28,337.9	$27,548.6
Average U.S. hourly employment*	278,600	299,800	309,700
U.S. hourly payrolls* (in millions)	$12,664.4	$13,165.9	$13,242.0
Average labor cost per hour worked—U.S. hourly*	$31.30	$29.50	$27.90
North American employment at December 31 (excluding GMAC, EDS, and Hughes)			
Salaried	99,900	100,700	99,900
Hourly	265,200	328,500	343,600
Total	365,100	429,200	443,500
Equal employment opportunity*			
Minorities as % of GM U.S. work force	21%	21%	21%
White-collar	15%	15%	14%
Blue-collar	23%	23%	23%
Women as % of GM U.S. work force	19%	19%	19%
White-collar	28%	27%	27%
Blue-collar	16%	16%	16%

*Excludes EDS and Hughes.

WORLDWIDE FACTORY SALES TO DEALERS

(Units in Thousands)	Cars			Trucks			Total		
	1990	1989	1988	1990	1989	1988	1990	1989	1988
United States	2,762	3,197*	3,516	1,469	1,599	1,661	4,231	4,796*	5,177
Canada	418	414	411	295	323	327	713	737	738
Overseas**	2,214	2,083	1,955	293	289	238	2,507	2,372	2,193
Total	5,394	5,694*	5,882	2,057	2,211	2,226	7,451	7,905*	8,108

*Revised to reflect 1990 classifications.

**Includes units which are manufactured overseas by other companies and which are imported and sold by General Motors and affiliates.

for about one-fourth of GM's annual unit volume, were 2,057,000 units, down 7.0%.

GM's North American automotive operations were unprofitable in 1990, reflecting the impact of lower industry sales, a product mix that moved toward lower-priced models, intense competition, and the special restructuring charge. Also contributing to the loss was the effect of increased sales incentives prevalent in the industry. Such GM incentives increased $3.0 billion in 1990 over 1989.

The Middle East crisis, which resulted in a drop in consumer confidence to its lowest level since 1980-82, contributed heavily to the lower volumes in 1990. The U.S. economic expansion that began in late 1982 came to an end in the fourth quarter of 1990 as the gross national product fell 2.1%. Additionally, the 1990 results reflect the costs of launching the Saturn, GM's new car line.

Despite the intense competition, GM improved its share of total U.S. retail sales to 35.1% in 1990 from 34.6% in 1989. Market share was 35.2% in 1988. GM's share of domestic car sales was 35.6% in 1990, compared with 35.1% in 1989 and 36.2% in 1988. GM's share of light-duty truck sales was 35.4% in 1990, 34.9% in 1989, and 34.3% in 1988.

Overseas, GM earned over $2 billion for the third consecutive year. GM Europe achieved record financial results for the fourth consecutive year, despite losses incurred by Saab Automobile AB, the new joint venture formed in March 1990. However, the severe economic conditions occurring in Brazil resulted in a 50% decrease in net income in Latin America. The Asia/Pacific area was down 27% with the result being an overall decrease of 9% in overseas net income.

GM total vehicle sales overseas remained strong, led by record sales performance in the European and Asia/Pacific regions. Overseas business units paid cash dividends of $3,002.8 million to GM in 1990, $1,820.1 million in 1989, and $1,194.1 million in 1988.

RETAIL UNIT SALES OF CARS AND TRUCKS WORLDWIDE

(Units in Thousands)	1990	1989*	Change from '89
Worldwide Industry	45,868	46,085	(217)
GM	7,870	8,019	(149)
As % of worldwide	17.2%	17.4%	(0.2 pts.)
United States			
Industry	14,153	14,855	(702)
GM: cars	3,309	3,437	(128)
trucks	1,664	1,708	(44)
total	4,973	5,145	(172)
As % of U.S.	35.1%	34.6%	0.5 pts.
Foreign sponsored	4,118	4,071	47
As % of U.S.	29.1%	27.4%	1.7 pts.
Canada			
Industry	1,315	1,480	(165)
GM	447	510	(63)
As % of Canada	34.0%	34.5%	(0.5 pts.)
International			
Industry	30,400	29,750	650
GM: cars	2,132	2,052	80
trucks	318	312	6
total	2,450	2,364	86
As % of international	8.1%	7.9%	0.2 pts.
GM cars & trucks			
Europe	1,678	1,593	85
Germany	590	468	122
United Kingdom	358	397	(39)
As % of Europe	10.2%	9.6%	0.6 pts.
Latin America	345	366	(21)
Brazil	170	212	(42)
Mexico	94	72	22
Venezuela	12	7	5
Africa	41	31	10
Middle East	63	62	1
Asia/Pacific	323	312	11
Australia	107	109	(2)

*Revised to reflect 1990 classifications.

General Motors Acceptance Corporation

Earnings of GMAC rose 7.1% to $1,190.1 million in 1990, the second highest in GMAC's history. The 1990 improvement reflected favorable interest rate trends in the U.S. and record earnings from growing international operations. Gross revenue was $14,787.1 million, up 2.0%, as GMAC continued to expand its programs to serve the financing and insurance needs of GM customers and dealers.

Total financing revenue amounted to $11,756.7 million, a 4.8% increase from 1989. Retail and lease financing revenue, the largest segment of GMAC's business, was $7,884.8 million, up 5.3%. Revenue from leasing operations increased 0.9% to $2,207.4 million. Wholesale and term loans financing revenue increased 8.1% to $1,664.5 million. Other income totaled $1,987.9 million in 1990, down 6.8%.

Insurance premiums earned by Motors Insurance Corporation decreased 9.8% to $1,042.5 million in 1990.

Interest and discount expense increased 0.7% to $7,965.8 million in 1990. Average

borrowing costs were 9.13% in 1990 and 9.33% in 1989.

Total earning assets of GMAC were a record $103.2 billion at December 31, 1990, up 0.9% from the prior year-end. GMAC's total borrowings were $87.9 billion at December 31, 1990, a 1.2% increase over year-end 1989. Approximately 82% of 1990 borrowings supported United States operations.

Electronic Data Systems Corporation

Reflecting the continued strong growth of its non-GM business, Electronic Data Systems Corporation (EDS) achieved another record performance in 1990. Separate consolidated net income of EDS rose 14.2% to $496.9 million. Earnings per share attributable to Class E common stock were $2.08, up from $1.81 in 1989 and $1.57 in 1988, and are based on the Available Separate Consolidated Net Income of EDS (described in Note 10 to the Financial Statements).

EDS continues as the world leader in systems integration and communications services. Sales to sources outside GM and its affiliates rose 16.9% in 1990 to $2,787.5 million, reflecting EDS's continued success in obtaining new business as well as growth through acquisitions. Additionally, EDS continued to assist GM in a variety of automation projects being implemented in the Corporation's factories and offices.

EDS financial statements do not include the amortization of the $2,179.5 million initial cost to GM of EDS customer contracts, computer software programs, and other intangible assets, including goodwill, arising from the acquisition of EDS by GM in 1984. This cost, plus the $343.2 million cost of contingent notes purchased in 1986, less certain income tax benefits, was assigned principally to intangible assets, including goodwill, and is being amortized by GM over the estimated useful lives of the assets acquired. Such amortization was $205.7 million in 1990, $348.9 million in 1989, and $386.6 million in 1988.

For the purpose of determining earnings per share and amounts available for dividends on common stocks, such amor-

SUMMARY FINANCIAL DATA—GMAC

Condensed Statement of Separate Consolidated Net Income (Dollars in Millions)	Years Ended December 31, 1990	1989	1988
Financing Revenue			
Retail and lease financing	$ 7,884.8	$ 7,488.4	$ 7,163.2
Leasing	2,207.4	2,187.0	2,247.0
Wholesale and term loans	1,664.5	1,540.1	1,234.4
Total financing revenue	11,756.7	11,215.5	10,644.6
Insurance premiums earned	1,042.5	1,156.4	1,206.9
Other income	1,987.9	2,131.9	1,648.1
Gross Revenue	14,787.1	14,503.8	13,499.6
Interest and discount	7,965.8	7,908.3	6,641.9
Other expenses	4,972.9	5,044.0	5,060.0
Total Expenses	12,938.7	12,952.3	11,701.9
Income before income taxes	1,848.4	1,551.5	1,797.7
Income taxes	658.3	440.8	610.1
Separate Consolidated Net Income	$ 1,190.1	$ 1,110.7	$ 1,187.6
Cash dividends paid to GM	$ 1,000.0	$ 600.0	$ 1,000.0

Condensed Consolidated Balance Sheet (Dollars in Millions)	December 31, 1990	1989
Cash and investments in securities	$ 3,214.9	$ 3,142.6
Finance receivables—net	79,189.6	79,120.1
Notes receivable from General Motors Corporation	12,918.0	14,460.5
Other assets	9,780.6	6,839.2
Total Assets	$105,103.1	$103,562.4
Short-term debt	$ 53,715.8	$ 54,415.4
Accounts payable and other liabilities (including GM and affiliates—$2,725.5 and $2,897.7)	9,199.7	8,912.0
Long-term debt	34,185.4	32,453.0
Stockholder's equity	8,002.2	7,782.0
Total Liabilities and Stockholder's Equity	$105,103.1	$103,562.4

SUMMARY FINANCIAL DATA—EDS

(Dollars in Millions Except Per Share Amounts)	Years Ended December 31, 1990	1989	1988
Revenues			
Systems and other contracts			
GM and affiliates	$3,234.2	$2,988.9	$2,837.0
Outside customers	2,787.5	2,384.6	1,907.6
Interest and other income	87.1	93.3	99.5
Total Revenues	6,108.8	5,466.8	4,844.1
Costs and Expenses	5,320.1	4,786.5	4,254.7
Income Taxes	291.8	245.0	205.3
Separate Consolidated Net Income	$ 496.9	$ 435.3	$ 384.1
Available Separate Consolidated Net Income*	$ 194.4	$ 171.0	$ 160.3
Average number of shares of Class E common stock outstanding (in millions)	93.5	94.5	101.8
Earnings Attributable to Class E Common Stock on a Per Share Basis	$2.08	$1.81	$1.57
Cash dividends per share of Class E common stock	$0.56	$0.48	$0.34

*Separate consolidated net income of EDS multiplied by a fraction, the numerator of which is the weighted average number of shares of Class E common stock outstanding during the period and the denominator of which is currently 239.3 million shares. The denominators during 1989 and 1988 were 238.7 million and 243.8 million shares, respectively. Available Separate Consolidated Net Income is determined quarterly.

tization is charged against earnings attributable to GM's $1-2/3 par value common stock. The effect of EDS operations on the earnings attributable to $1-2/3 par value common stock was a net charge of $111.3 million in 1990, $225.1 million in 1989, and $286.1 million in 1988, consisting of the previously described amortization less related income tax benefits, profit on intercompany transactions, and the earnings of EDS attributable to $1-2/3 par value common stock. The net charge does not reflect any estimate of the savings realized by GM from the installation of new computer systems within GM operations.

GM Hughes Electronics Corporation

Earnings of GM Hughes Electronics Corporation (GMHE) declined 7.1% to $726.0 million, while revenues increased 3.2% to a record $11,723.1 million. Earnings per share attributable to Class H common stock were $1.82 in 1990, compared with $1.94 in 1989 and $2.01 in 1988, and are based on the Available Separate Consolidated Net Income of GMHE (described in Note 10 to the Financial Statements).

Earnings were down slightly as the result of reduced defense spending, lower motor vehicle production volumes, and a higher effective tax rate which were only partially offset by ongoing cost reduction efforts and increased electronic content in GM vehicles.

GMHE is the world leader in automotive and defense electronics and in commercial communications satellites. GMHE also provides direct support to GM through projects to automate the Corporation's factories and by supplying components and technologies for GM vehicles.

Both of GMHE's principal subsidiaries—Hughes Aircraft Company and Delco Electronics Corporation—achieved revenue increases in 1990. This improvement reflected growth in the commercial market for business communications networks and increasing demand for electronic components and systems in cars and trucks. In addition, these GMHE subsidiaries continued to pursue new business opportunities by entering into joint ventures and teaming arrangements with other companies. Included was the formation of a subsidiary, H E Microwave Corporation, to manufacture high technology electronics for both automotive and military applications.

For the purpose of determining earnings per share and amounts available for dividends on common stocks, the amortization of intangible assets arising from the acquisition of Hughes in 1985 is charged against earnings attributable to GM's $1-2/3 par value common stock. The effect of GMHE operations on the 1990, 1989, and 1988 earnings attributable to $1-2/3 par value common stock was a net credit (charge) of $24.9 million, $17.8 million, and ($31.6) million, respectively, consisting of amortization of the intangible assets, profit on intercompany transactions, and the earnings of GMHE attributable to $1-2/3 par value common stock. The net credit (charge) does not reflect any estimate of the savings and improvements in product development or plant operation resulting from the application of GMHE technology to GM's operations.

SUMMARY FINANCIAL DATA—GMHE

(Dollars in Millions Except Per Share Amounts)	Years Ended December 31, 1990	1989	1988
Revenues			
Net sales			
Outside customers	$ 8,091.3	$ 7,647.7	$ 7,518.2
GM and affiliates	3,534.5	3,521.8	3,482.8
Other income—net	97.3	189.5	242.6
Total Revenues	11,723.1	11,359.0	11,243.6
Costs and Expenses	10,684.7	10,371.3	10,259.7
Income Taxes	461.2	355.3	349.3
Income before cumulative effect of accounting change	577.2	632.4	634.6
Cumulative effect of accounting change	—	—	18.7*
Separate Consolidated Net Income	577.2	632.4	653.3
Available Separate Consolidated Net Income			
Adjustments to exclude the effect of purchase accounting**	148.8	148.8	148.8
Earnings of GMHE, Excluding Purchase Accounting Adjustments	$ 726.0	$ 781.2	$ 802.1
Available Separate Consolidated Net Income* **	$ 160.0	$ 188.1	$ 256.9
Average number of shares of Class H common stock outstanding (in millions)	88.1	95.7	127.9
Earnings Attributable to Class H Common Stock on a Per Share Basis			
Before cumulative effect of accounting change	$1.82	$1.94	$1.96
Cumulative effect of accounting change	—	—	0.05
Net earnings attributable to Class H common stock	$1.82	$1.94	$2.01
Cash dividends per share of Class H common stock	$0.72	$0.72	$0.44

*Effective January 1, 1988, accounting procedures at Delco Electronics were changed to include in inventory certain manufacturing overhead costs previously charged directly to expense.

**Amortization of intangible assets arising from the acquisition of Hughes Aircraft Company.

***Earnings of GMHE, excluding purchase accounting adjustments, multiplied by a fraction, the numerator of which is the weighted average number of shares of Class H common stock outstanding during the period and the denominator of which is currently 399.7 million shares. The denominator during 1989 and 1988 was 400.0 million shares. Available Separate Consolidated Net Income is determined quarterly.

Cash Flows

Including GMAC, cash and cash equivalents were $3,688.5 million at December 31, 1990 and $5,625.4 million a year earlier.

Cash and cash equivalents at December 31, 1990 with GMAC on an equity basis totaled $3,491.3 million, compared with $5,455.7 million a year earlier. As compared with cash flows in 1989, cash and cash equivalents declined primarily due to reduced sales volume and profitability,

partially offset by reduced repurchases of common stocks.

Net cash provided by operating activities, including GMAC, was $6,781.6 million in 1990, $13,005.8 million in 1989, and $14,476.6 million in 1988. Net cash provided by operating activities with GMAC on an equity basis was $6,160.9 million in 1990, compared with $11,553.4 million in 1989 and $11,093.1 million in 1988.

Debt Changes

During 1990, notes and loans payable of GM and its subsidiaries including GMAC (as detailed in Note 15 to the Financial Statements) increased 2.4% to $95,633.5 million at year-end from $93,424.8 million at December 31, 1989. This increase was due to greater long-term borrowing needs reflecting a reduction in net cash provided by operating activities. During 1989, notes and loans payable increased 6.0% for the same reason.

GM's fully consolidated ratio of debt to stockholders' equity (excluding stocks subject to repurchase) was 3.18 to 1 at December 31, 1990 and 2.67 to 1 a year earlier.

Long-term debt of General Motors and its subsidiaries with GMAC on an equity basis was $4,614.5 million at the end of 1990, an increase of $359.8 million during the year. The ratio of long-term debt to the total of long-term debt and stockholders' equity (excluding stocks subject to repurchase) was 13.3% at December 31, 1990, up from 10.8% at the end of 1989. The ratio of long-term debt and short-term loans payable to the total of this debt and stockholders' equity (excluding stocks subject to repurchase) was 20.5% at the end of 1990 and 15.8% at the end of 1989.

In February 1991, the senior debt ratings of GM and GMAC were lowered to A from AA— by Standard & Poor's and to A1 from Aa3 by Moody's Investors Service Inc. In addition, the commercial paper ratings of GMAC and GMHE were lowered to A-1 from A-1+ by Standard & Poor's. Moody's confirmed its Prime—1 rating for GMAC commercial paper but lowered GMAC's subordinated debt rating to A2 from A1. These revisions were a part of an evaluation of the domestic auto industry and reflected an industry-wide reduction in ratings. Reasons cited included the heightened price competition in the industry, the increased fragmentation of the market, and a general shortening of product life cycles which add to the capital requirements of a capital intensive industry.

At year-end, GM and its subsidiaries, including GMAC, had unused short-term credit lines totaling approximately $20.2 billion and unused long-term credit agreements of approximately $2.8 billion.

Capital Spending

GM's worldwide capital expenditures (excluding GMAC) were $7.4 billion in 1990, $7.4 billion in 1989, and $5.5 billion in 1988. Expenditures in 1990 were devoted primarily to product development in support of the Corporation's programs to continue to improve product quality, performance, and styling. GMAC's capital expenditures were approximately $150 million each year.

Capital expenditures include amounts spent for various environmental matters. In addition, the Corporation accrues environmental expenses based on costs and estimates of probability. Reference should be made to the Environmental Matters discussion included in the Corporation's 1990 Annual Report on Form 10-K to the Securities and Exchange Commission.

Of the 1990 worldwide expenditures for real estate, plants, and equipment, approximately 75% were in the United States (78% in 1989 and 74% in 1988), 2% in Canada (7% in 1989 and 12% in 1988), and 23% overseas (15% in 1989 and 14% in 1988).

Commitments for capital spending, including special tools, were $4.1 billion at December 31, 1990. Estimated capital expenditures for 1991 are expected to approach $7 billion.

Stock Repurchase Program

Through a stock repurchase program, the Corporation was using a portion of its cash flow to repurchase up to 128 million shares of its $1-2/3 par value and as many as 30 million shares of Class E and 10 million shares of Class H common stocks through open market purchases.

Through 1990, repurchases under this program totaled 41.2 million $1-2/3 par value shares, 22.0 million Class E shares, and 4.7 million Class H common shares. In 1990, the Corporation purchased a total of 3,589,000 $1-2/3 par value shares at an average price of $44.17 per share, 2,411,567 Class E shares at an average price of $30.82 per share, and 710,300 Class H common shares at an average price of $20.85 per share. GM has temporarily suspended its repurchase program with respect to $1-2/3 par value and Class E, although EDS is authorized to repurchase Class E stock. With respect to Class H, a limited stock repurchase program has been continued.

In addition to the stock repurchase program, GM purchased $1-2/3 par value, Class E, and Class H common shares on the open market to satisfy share requirements for the incentive and benefits plans of the Corporation and its subsidiaries.

Dividend Policy

The Corporation's policy is to distribute dividends on $1-2/3 par value common stock based on the outlook and indicated capital needs of the business. At the February 4, 1991 meeting of the General Motors Board of Directors, the quarterly dividend on the $1-2/3 par value common stock was reduced from $0.75 per share to $0.40 per share. This action was taken as a part of a comprehensive cost-cutting and cash-conservation program to strengthen GM's competitive position. Other specific actions taken coincident with the dividend reduction included a planned reduction in North American salaried employment from year-end 1990 levels by a cumulative 15% by 1993, representing a reduction of 15,000 employes, and requesting suppliers for substantial price reductions in each year, 1991, 1992, and 1993. It is expected that this initiative should generate a $2 billion reduction in GM's annual material cost base by 1993.

With respect to Class E and Class H common stocks, the Corporation's current policy is to pay cash dividends approximately

equal to 30% and 35% of the Available Separate Consolidated Net Income of EDS and GMHE, respectively, for the prior year. At the February 4, 1991 Board meeting, the dividend on the Class E common stock was increased by 14% to a quarterly rate of $0.16 per share from a rate of $0.14 per share in 1990. The quarterly dividend on Class H common stock was continued at $0.18 per share.

On March 10, 1990, GM distributed a two-for-one stock split in the form of a 100% stock dividend on its Class E common stock.

Book Value

Book value per share of $1-2/3 par value common stock was $45.17 at the end of 1990, down from $52.32 a year earlier and $48.92 at the end of 1988. Book value per share of Class E common stock decreased to $11.58 from $13.41 and $12.54 at the end of 1989 and 1988, respectively. Book value per share of Class H common stock decreased to $22.61 from $26.18 and $24.48 at the end of 1989 and 1988, respectively.

Accounting Standards

In 1989, the Financial Accounting Standards Board (FASB) delayed implementation of Statement of Financial Accounting Standards (SFAS) No. 96, Accounting for Income Taxes, until January 1, 1992, while continuing to encourage earlier voluntary adoption. In the first quarter of 1991, the FASB has indicated that it plans to issue an exposure draft containing extensive revisions to SFAS No. 96. In view of the expected revisions, GM does not plan to adopt SFAS No. 96 prior to its effective date. It is not possible to quantify the effect of adopting SFAS No. 96, particularly in view of the uncertainty caused by the expected revisions.

In December 1990, the FASB issued SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions, effective January 1, 1993 with earlier voluntary adoption encouraged. GM does not plan to adopt SFAS No. 106 early. Generally, SFAS No. 106 requires accrual of postretirement health care and other benefit costs during the active service periods of employes to the date of full eligibility for such benefits; currently, such amounts are expensed by the Corporation when paid (see Note 6). While it is anticipated that the effect of the adoption of SFAS No. 106 will be unfavorable to net income, the Corporation is unable to quantify the amount at this time.

General Motors Operations With GMAC On An Equity Basis

The following presents financial data of the Corporation's manufacturing, wholesale marketing, defense, electronics, and computer service operations with the financing and insurance operations reflected on an equity basis.

Statement of Consolidated Income (Dollars in Millions)	**Years Ended December 31, 1990**	**1989**	**1988**
Net Sales and Revenues*			
Manufactured products	$107,748.4	$109,893.9	$108,075.9
Computer systems services	3,048.9	2,639.3	2,152.6
Total Net Sales and Revenues	110,797.3	112,533.2	110,228.5
Costs and Expenses			
Cost of sales and other operating charges, exclusive of items listed below	96,366.3	94,049.2	92,750.8
Selling, general, and administrative expenses	8,667.1	8,104.7	7,391.2
Depreciation and amortization of property	5,486.8	5,087.6	4,950.5
Amortization of intangible assets	373.1	505.5	545.1
Special provision for scheduled plant closings and other restructurings	3,314.0	—	—
Total Costs and Expenses	114,207.3	107,747.0	105,637.6
Operating Income (Loss)	(3,410.0)	4,786.2	4,590.9
Other income less income deductions—net	1,814.4	2,331.2	1,847.4
Interest expense	(2,049.0)	(2,228.4)	(1,537.3)
Income (Loss) before Income Taxes	(3,644.6)	4,889.0	4,901.0
Income taxes (credit)	(889.7)	1,733.2	1,492.5
Income (Loss) after Income Taxes	(2,754.9)	3,155.8	3,408.5
Earnings of nonconsolidated affiliates	769.2	1,068.5	1,223.6
Income (Loss) before cumulative effect of accounting change	(1,985.7)	4,224.3	4,632.1
Cumulative effect of accounting change	—	—	224.2
Net Income (Loss)	($ 1,985.7)	$ 4,224.3	$ 4,856.3

*Includes sales to nonconsolidated affiliates of $1,179.4 million in 1990, $1,113.6 million in 1989, and $1,274.2 million in 1988, including $261.4 million in computer systems services revenues for 1990, $254.7 million for 1989, and $245.0 million for 1988.

Certain amounts for 1989 and 1988 have been reclassified to conform with 1990 classifications.

General Motors Operations With GMAC On An Equity Basis (continued)

Consolidated Balance Sheet
(Dollars in Millions)

	December 31,	
ASSETS	**1990**	**1989**
Current Assets		
Cash and cash equivalents	$ 3,491.3	$ 5,455.7
Other marketable securities	1,115.2	1,615.0
Total cash and marketable securities	4,606.5	7,070.7
Accounts and notes receivable		
Trade	16,691.1	18,037.4
Nonconsolidated affiliates	2,998.0	3,758.8
Inventories	9,331.3	7,991.7
Contracts in process	2,348.8	2,073.3
Prepaid expenses and deferred income taxes	3,968.0	2,374.4
Total Current Assets	39,943.7	41,306.3
Equity in Net Assets of Nonconsolidated Affiliates	9,752.2	9,000.1
Other Investments and Miscellaneous Assets	6,692.7	5,761.8
Property	36,034.7	33,895.2
Intangible Assets	10,355.5	6,801.7
Total Assets	$102,778.8	$96,765.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 8,188.8	$ 7,659.2
Loans payable	3,117.8	2,301.7
Income taxes payable	1,148.5	706.4
Accrued liabilities	15,851.5	13,409.2
Stocks subject to repurchase	822.0	—
Total Current Liabilities	29,128.6	24,076.5
Long-Term Debt	4,614.5	4,254.7
Payable to GMAC*	12,918.0	14,460.5
Capitalized Leases	309.3	311.0
Other Liabilities	23,027.6	15,584.3
Deferred Credits	1,449.1	1,445.6
Stocks Subject to Repurchase	1,284.3	1,650.0
Stockholders' Equity	30,047.4	34,982.5
Total Liabilities and Stockholders' Equity	$102,778.8	$96,765.1

*For marketing and financial reasons, GM has assumed part of the dealer inventory financing previously provided by GMAC. To help support these receivables, General Motors entered into a financing agreement with GMAC through 1996 which provides that GMAC will extend loans to GM up to a maximum of $17 billion which bear interest at floating market rates. GMAC services these receivables for General Motors for a fee. This financing agreement ensures that GMAC's ongoing funding activities continue, and returns to GMAC the approximate amount of interest and fees it would have earned had it retained the dealer inventory financing business. At December 31, 1990, $12,718.0 million of such loans were outstanding at a rate of 10.0%, compared with $14,328.0 million at a rate of 10.5% a year earlier. Interest and fees paid by GM to GMAC totaled $1,233.7 million in 1990, $1,469.2 million in 1989, and $1,042.5 million in 1988.

General Motors Operations With GMAC On An Equity Basis (concluded)

Statement of Consolidated Cash Flows (Dollars in Millions)	Years Ended December 31, 1990	1989	1988
Cash Flows from Operating Activities			
Income (Loss) before cumulative effect of accounting change	($1,985.7)	$ 4,224.3	$ 4,632.1
Adjustments to reconcile income (loss) before cumulative effect of accounting change to net cash provided by operating activities			
Depreciation and amortization of property	5,486.8	5,087.6	4,950.5
Amortization of intangible assets	373.1	505.5	545.1
Special provision for scheduled plant closings and other restructurings	2,848.0	—	—
Net gain on sale of partial interest in Isuzu Motors Limited	—	(82.8)	—
Change in deferred income taxes and undistributed earnings of nonconsolidated affiliates, etc.	(2,009.9)	(110.7)	312.3
Change in other operating assets and liabilities			
Accounts receivable	31.8	(94.7)	2,193.6
Inventories excluding effect of accounting change	(1,339.6)	(7.4)	311.6
Contracts in process	(275.5)	(37.9)	(48.1)
Prepaid expenses	987.6	558.1	(698.3)
Accounts payable	529.6	(91.0)	662.4
Income taxes payable excluding effect of accounting change	442.1	512.2	(350.6)
Other liabilities	1,680.3	732.8	101.8
Other	(607.7)	357.4	(1,519.3)
Net Cash Provided by Operating Activities	6,160.9	11,553.4	11,093.1
Cash Flows from Investing Activities			
Investment in companies, net of cash acquired	(906.9)	(198.1)	(675.2)
Expenditures for real estate, plants, and equipment	(4,286.2)	(4,457.5)	(3,289.0)
Proceeds from disposals of real estate, plants, and equipment	295.9	379.0	296.5
Expenditures for special tools	(3,155.5)	(2,927.8)	(2,194.4)
Change in other investing assets			
Other marketable securities	499.8	(357.0)	100.5
Notes receivable	358.5	(355.7)	340.9
Accounts receivable	1,716.8	(266.2)	(1,420.0)
Net Cash Used in Investing Activities	(5,477.6)	(8,183.3)	(6,840.7)
Cash Flows from Financing Activities			
Net increase (decrease) in loans payable	816.1	370.8	(947.8)
Increase in long-term debt	1,660.3	967.1	1,074.9
Decrease in long-term debt	(1,300.5)	(955.5)	(781.2)
Net increase (decrease) in payable to GMAC	(1,542.5)	(379.5)	859.0
Redemption of Series H-I preference stock	(207.2)	—	—
Repurchases of common stocks	(362.3)	(1,655.1)	(786.5)
Proceeds from issuing common stocks	375.7	173.2	253.0
Cash dividends paid to stockholders	(1,956.5)	(1,964.1)	(1,657.5)
Net Cash Used in Financing Activities	(2,516.9)	(3,443.1)	(1,986.1)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(130.8)	(50.0)	(35.5)
Net increase (decrease) in cash and cash equivalents	(1,964.4)	(123.0)	2,230.8
Cash and cash equivalents at beginning of the year	5,455.7	5,578.7	3,347.9
Cash and cash equivalents at end of the year	$3,491.3	$ 5,455.7	$ 5,578.7

Responsibilities for Consolidated Financial Statements

The following consolidated financial statements of General Motors Corporation and subsidiaries were prepared by management which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on judgments of management. Financial information elsewhere in this Annual Report is consistent with that in the financial statements.

Management is further responsible for maintaining a system of internal accounting controls, designed to provide reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are carefully followed. From a stockholder's point of view, perhaps the most important feature in the system of control is that it is continually reviewed for its effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

Deloitte & Touche, independent auditors, are engaged to audit the consolidated financial statements of General Motors Corporation and its subsidiaries and issue reports thereon. Their audit is conducted in accordance with generally accepted auditing standards which comprehend a review of internal accounting controls and a test of transactions. The Independent Auditors' Report appears below.

The Board of Directors, through the Audit Committee (composed entirely of non-employe Directors), is responsible for assuring that management fulfills its responsibilities in the preparation of the consolidated financial statements. The Committee selects the independent auditors annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Committee reviews the scope of the audits and the accounting principles being applied in financial reporting. The independent auditors, representatives of management, and the internal auditors meet regularly (separately and jointly) with the Committee to review the activities of each, to ensure that each is properly discharging its responsibilities, and to assess the effectiveness of the system of internal accounting controls. It is management's conclusion that the system of internal accounting controls at December 31, 1990 provides reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are complied with. To ensure complete independence, Deloitte & Touche have full and free access to meet with the Committee, without management representatives present, to discuss the results of their audit, the adequacy of internal accounting controls, and the quality of the financial reporting.

Robt C. Stempel
Chairman

Robert T. O'Connell
Chief Financial Officer

Independent Auditors' Report

Deloitte & Touche

Renaissance Center
Detroit, Michigan 48243-1274

February 13, 1991

General Motors Corporation,
its Directors, and Stockholders:

We have audited the Consolidated Balance Sheet of General Motors Corporation and subsidiaries as of December 31, 1990 and 1989 and the related Statements of Consolidated Income and Consolidated Cash Flows for each of the three years in the period ended December 31, 1990. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of General Motors Corporation and subsidiaries at December 31, 1990 and 1989 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1990 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the Financial Statements, effective January 1, 1988 the Corporation changed its method of accounting for certain manufacturing overhead costs.

Deloitte & Touche

Consolidated Financial Statements

Statement of Consolidated Income

(Dollars in Millions Except Per Share Amounts)	Years Ended December 31, 1990	1989	1988
Net Sales and Revenues (Note 1)			
Manufactured products	$107,477.0	$109,610.3	$107,815.2
Financial services	11,756.3	11,216.9	10,664.9
Computer systems services	2,787.5	2,384.6	1,907.6
Other income (Note 2)	2,684.3	3,720.1	3,253.9
Total Net Sales and Revenues	124,705.1	126,931.9	123,641.6
Costs and Expenses			
Cost of sales and other operating charges, exclusive of items listed below	96,155.7	93,817.9	92,506.0
Selling, general, and administrative expenses	10,030.9	9,447.9	8,735.8
Interest expense (Note 15)	8,771.7	8,757.2	7,232.9
Depreciation of real estate, plants, and equipment (Note 1)	5,104.1	5,157.8	5,047.0
Amortization of special tools (Note 1)	1,805.8	1,441.8	1,432.1
Amortization of intangible assets (Note 1)	451.7	568.6	601.9
Other deductions (Note 2)	1,288.3	1,342.4	1,351.0
Special provision for scheduled plant closings and other restructurings (Note 7)	3,314.0	—	—
Total Costs and Expenses	126,922.2	120,533.6	116,906.7
Income (Loss) before Income Taxes	(2,217.1)	6,398.3	6,734.9
United States, foreign, and other income taxes (credit) (Note 9)	(231.4)	2,174.0	2,102.8
Income (Loss) before cumulative effect of accounting change	(1,985.7)	4,224.3	4,632.1
Cumulative effect of accounting change (Note 1)	—	—	224.2
Net Income (Loss)	(1,985.7)	4,224.3	4,856.3
Dividends and accumulation of redemption value on preferred and preference stocks (Note 17)	38.2	34.2	26.0
Earnings (Loss) on Common Stocks	($ 2,023.9)	$ 4,190.1	$ 4,830.3
Earnings (Loss) Attributable to Common Stocks			
$1-2/3 par value before cumulative effect of accounting change	($ 2,378.3)	$ 3,831.0	$ 4,195.0
Cumulative effect of accounting change	—	—	218.1
Net earnings (loss) attributable to $1-2/3 par value	($ 2,378.3)	$ 3,831.0	$ 4,413.1
Class E	$ 194.4	$ 171.0	$ 160.3
Class H before cumulative effect of accounting change	$ 160.0	$ 188.1	$ 250.8
Cumulative effect of accounting change	—	—	6.1
Net earnings attributable to Class H	$ 160.0	$ 188.1	$ 256.9
Average number of shares of common stocks outstanding (in millions)			
$1-2/3 par value	601.5	604.3	615.7
Class E	93.5	94.5	101.8
Class H	88.1	95.7	127.9
Earnings (Loss) Per Share Attributable to Common Stocks (Note 10)			
$1-2/3 par value before cumulative effect of accounting change	($4.09)	$6.33	$6.82
Cumulative effect of accounting change	—	—	0.35
Net earnings (loss) attributable to $1-2/3 par value	($4.09)	$6.33	$7.17
Class E	$2.08	$1.81	$1.57
Class H before cumulative effect of accounting change	$1.82	$1.94	$1.96
Cumulative effect of accounting change	—	—	0.05
Net earnings attributable to Class H	$1.82	$1.94	$2.01

Certain amounts for 1989 and 1988 have been reclassified to conform with 1990 classifications.
Reference should be made to the Notes to Financial Statements.

Consolidated Balance Sheet

(Dollars in Millions Except Per Share Amounts) ASSETS	December 31, 1990	1989
Cash and cash equivalents	$ 3,688.5	$ 5,625.4
Other marketable securities	4,132.9	4,587.9
Total cash and marketable securities (Note 11)	7,821.4	10,213.3
Finance receivables—net (Note 12)	90,116.2	92,354.6
Accounts and notes receivable (less allowances)	5,731.3	5,447.4
Inventories (less allowances) (Note 1)	9,331.3	7,991.7
Contracts in process (less advances and progress payments of $2,353.1 and $2,630.7) (Note 1)	2,348.8	2,073.3
Net equipment on operating leases (less accumulated depreciation of $2,692.6 and $3,065.9)	5,882.0	5,131.1
Prepaid expenses and deferred charges	4,751.6	3,914.7
Other investments and miscellaneous assets (less allowances)	7,252.5	5,050.2
Property (Note 1)		
Real estate, plants, and equipment—at cost (Note 14)	67,219.4	63,390.7
Less accumulated depreciation (Note 14)	38,280.8	34,849.7
Net real estate, plants, and equipment	28,938.6	28,541.0
Special tools—at cost (less amortization)	7,206.4	5,453.5
Total property	36,145.0	33,994.5
Intangible assets—at cost (less amortization) (Notes 1 and 6)	10,856.4	7,126.3
Total Assets	$180,236.5	$173,297.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable (principally trade)	$ 8,824.4	$ 7,707.8
Notes and loans payable (Note 15)	95,633.5	93,424.8
United States, foreign, and other income taxes (Note 9)	3,959.6	5,671.4
Other liabilities (Note 16)	38,255.2	28,456.7
Deferred credits (including investment tax credits—$723.0 and $915.4)	1,410.1	1,403.9
Total Liabilities	148,082.8	136,664.6
Stocks Subject to Repurchase (Notes 1 and 17)	2,106.3	1,650.0
Stockholders' Equity (Notes 3, 4, 5, and 17)		
Preferred stocks ($5.00 series, $153.0; $3.75 series, $81.4)	234.4	234.4
Preference stocks (E $0.10 series, $1.0; H $0.10 series, $1.0 in 1989)	1.0	2.0
Common stocks		
$1-2/3 par value (issued, 605,592,356 and 605,683,572 shares)	1,009.3	1,009.5
Class E (issued, 100,220,967 and 48,830,764 shares)	10.0	4.9
Class H (issued, 34,450,398 and 35,162,664 shares)	3.5	3.5
Capital surplus (principally additional paid-in capital)	2,208.2	2,614.0
Net income retained for use in the business	27,148.6	31,230.7
Subtotal	30,615.0	35,099.0
Minimum pension liability adjustment (Note 6)	(1,004.7)	—
Accumulated foreign currency translation and other adjustments	437.1	(116.5)
Total Stockholders' Equity	30,047.4	34,982.5
Total Liabilities and Stockholders' Equity	$180,236.5	$173,297.1

Reference should be made to the Notes to Financial Statements.

Statement of Consolidated Cash Flows

(Dollars in Millions)	Years Ended December 31, 1990	1989	1988
Cash Flows from Operating Activities			
Income (Loss) before cumulative effect of accounting change	($ 1,985.7)	$ 4,224.3	$ 4,632.1
Adjustments to reconcile income (loss) before cumulative effect of accounting change to net cash provided by operating activities			
Depreciation of real estate, plants, and equipment	3,699.2	3,680.3	3,561.0
Depreciation of equipment on operating leases	1,404.9	1,477.5	1,486.0
Amortization of special tools	1,805.8	1,441.8	1,432.1
Amortization of intangible assets	451.7	568.6	601.9
Amortization of discount and issuance costs on debt issues	291.7	263.2	256.5
Provision for financing losses	814.5	841.9	820.8
Special provision for scheduled plant closings and other restructurings	2,848.0	—	—
Pension expense, net of cash contributions	364.9	810.4	(300.3)
Net gain on sale of partial interest in Isuzu Motors Limited and its affiliates	—	(133.5)	—
Change in other investments, miscellaneous assets, deferred credits, etc.	246.5	(354.0)	(1,582.6)
Change in other operating assets and liabilities			
Accounts receivable	(285.2)	(856.3)	3,145.8
Inventories excluding effect of accounting change	(1,339.6)	(7.4)	311.6
Contracts in process	(275.5)	(37.9)	(48.1)
Prepaid expenses and deferred charges	(546.5)	273.5	(240.7)
Real estate mortgages held for sale	(1,630.8)	(114.3)	(79.9)
Accounts payable	1,116.6	(189.1)	635.9
Income taxes excluding effect of accounting change	(1,711.8)	678.2	(370.9)
Other liabilities	1,701.9	700.4	(45.1)
Other	(189.0)	(261.8)	260.5
Net Cash Provided by Operating Activities	6,781.6	13,005.8	14,476.6
Cash Flows from Investing Activities			
Investment in companies, net of cash acquired	(906.9)	(121.3)	(675.2)
Expenditures for real estate, plants, and equipment	(4,432.5)	(4,577.3)	(3,432.1)
Proceeds from disposals of real estate, plants, and equipment	416.1	490.6	296.5
Expenditures for special tools	(3,155.5)	(2,927.8)	(2,194.4)
Change in other investing assets			
Other marketable securities	455.0	(206.8)	(284.8)
Finance receivables—acquisitions	(104,609.8)	(100,688.9)	(89,472.6)
Finance receivables—liquidations	102,429.0	94,957.7	88,727.9
Finance receivables—other	2,548.6	11.6	(1,558.5)
Proceeds from sales of receivables	1,056.1	—	—
Notes receivable	1.3	(50.5)	173.1
Equipment on operating leases	(2,155.8)	(1,603.5)	(932.9)
Net Cash Used in Investing Activities	(8,354.4)	(14,716.2)	(9,353.0)
Cash Flows from Financing Activities			
Net increase (decrease) in short-term loans payable	(2,133.7)	844.7	2,643.3
Increase in long-term debt	14,406.5	14,422.1	7,689.9
Decrease in long-term debt	(10,355.8)	(10,235.3)	(11,153.0)
Redemption of Series H-I preference stock	(207.2)	—	—
Repurchases of common stocks	(362.3)	(1,655.1)	(786.5)
Proceeds from issuing common stocks	375.7	173.2	253.0
Cash dividends paid to stockholders	(1,956.5)	(1,964.1)	(1,657.5)
Net Cash Provided by (Used in) Financing Activities	(233.3)	1,585.5	(3,010.8)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(130.8)	(50.0)	(35.5)
Net increase (decrease) in cash and cash equivalents	(1,936.9)	(174.9)	2,077.3
Cash and cash equivalents at beginning of the year	5,625.4	5,800.3	3,723.0
Cash and cash equivalents at end of the year	$ 3,688.5	$ 5,625.4	$ 5,800.3

Reference should be made to the Notes to Financial Statements.

NOTE 1. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of General Motors Corporation (General Motors, GM, or the Corporation) and domestic and foreign subsidiaries which are more than 50% owned. General Motors' share of earnings or losses of associates in which at least 20% of the voting securities is owned is included in consolidated income under the equity method of accounting (see Note 2).

Revenue Recognition

Sales are generally recorded by the Corporation when products are shipped to independent dealers. Provisions for normal dealer sales incentives and returns and allowances are made at the time of sale. Costs related to special sales incentive programs are recognized as sales reductions when these programs are determinable.

Certain sales under long-term contracts, primarily in the defense business, are recorded using the percentage-of-completion method of accounting. Under this method, sales are recorded equivalent to costs incurred plus a portion of the profit expected to be realized on the contract, determined based on the ratio of costs incurred to estimated total costs at completion. Profits expected to be realized on contracts are based on the Corporation's estimates of total sales value and cost at completion. These estimates are reviewed and revised periodically throughout the lives of the contracts, and adjustments to profits resulting from such revisions are recorded in the accounting period in which the revisions are made. Estimated losses on contracts are recorded in the period in which they are identified.

In the case of finance receivables in which the face amount includes the finance charge (principally retail financing), earnings are recorded in income over the terms of the receivables using the interest method. On finance receivables in which the face amount represents the principal (principally wholesale, interest-bearing financing, and leasing), the interest is taken into income as accrued.

Insurance premiums are earned on a basis related to coverage provided over the terms of the policies (principally pro rata). Commission costs and premium taxes incurred in acquiring new business are deferred and amortized over the terms of the related policies on the same basis as premiums are earned. The liability for losses and claims includes a provision for unreported losses, based on past experience, net of the estimated salvage and subrogation recoverable.

Provision for Financing Losses

Losses arising from repossession of the collateral supporting doubtful accounts are charged off as soon as disposition of the collateral has been effected and the amount of the deficiency has been determined. Where repossession has not been effected, losses are charged off as soon as it is determined that the collateral cannot be repossessed, generally not more than 150 days after default.

Loss allowances on finance receivables are maintained in amounts considered by management to be appropriate in relation to receivables outstanding.

Inventories

Inventories are stated generally at cost, which is not in excess of market. The cost of substantially all domestic inventories other than the inventories of GM Hughes Electronics Corporation (GMHE) is determined by the last-in, first-out (LIFO) method. If the first-in, first-out (FIFO) method of inventory valuation had been used for inventories valued at LIFO cost, such inventories would have been $2,598.8 million higher at December 31, 1990 and $2,445.4 million higher at December 31, 1989. As a result of decreases in U.S. inventories, certain inventory quantities carried at lower LIFO costs prevailing in prior years, as compared with the costs of current purchases, were liquidated in 1989 and 1988. These inventory adjustments favorably affected income before income taxes by approximately $244.8 million in 1989 and $20.5 million in 1988. The cost of inventories outside the United States and of GMHE is determined generally by FIFO or average cost methods.

Major Classes of Inventories (Dollars in Millions)	1990	1989
Productive material, work in process, and supplies	$4,098.0	$3,816.9
Finished product, service parts, etc.	5,233.3	4,174.8
Total	$9,331.3	$7,991.7

Effective January 1, 1988, accounting procedures were changed to include in inventory certain manufacturing overhead costs previously charged directly to expense. The effect of this change on 1988 earnings was a favorable adjustment of $0.35 per share of $1-2/3 par value common stock and $0.05 per share of Class H common stock.

Contracts in Process

Contracts in process are stated at costs incurred plus estimated profit less amounts billed to customers and advances and progress payments received. Engineering, tooling, manufacturing, and applicable overhead costs, including administrative, research and development, and selling expenses, are charged to costs and expenses when they are incurred. Under certain contracts with the United States Government, progress payments are received based on costs incurred on the respective contracts. Title to the inventories relating to such contracts (included in contracts in process) vests with the United States Government.

(continued)

NOTE 1. *(continued)*

Depreciation and Amortization

Depreciation is provided based on estimated useful lives of groups of property generally using accelerated methods, which accumulate depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated useful lives.

Expenditures for special tools are amortized over their estimated useful lives. Amortization is applied directly to the asset account. Replacement of special tools for reasons other than changes in products is charged directly to cost of sales.

General Motors Acceptance Corporation (GMAC) provides for depreciation of automobiles and other equipment on operating leases or in company use generally on a straight-line basis.

Income Taxes

Investment tax credits were generally deferred and are being amortized over the lives of the related assets (the "deferral method").

The tax effects of timing differences between pretax accounting income and taxable income (principally related to depreciation, sales and product allowances, the Alternative Minimum Tax, vehicle instalment sales, profits on long-term contracts, provision for financing losses, and policy and warranty) are deferred. Provisions are made for estimated United States and foreign income taxes, less available tax credits and deductions, which may be incurred on remittance of the Corporation's share of subsidiaries' undistributed earnings less those deemed to be indefinitely reinvested.

Product-Related Expenses

Expenditures for advertising and sales promotion and for other product-related expenses are charged to costs and expenses as incurred; provisions for estimated costs related to product warranty are made at the time the products are sold. Expenditures for research and development are charged to expenses as incurred and amounted to $5,341.5 million in 1990, $5,247.5 million in 1989, and $4,753.8 million in 1988.

Foreign Currency Translation

Exchange and translation losses included in net income in 1990, 1989, and 1988 amounted to $131.5 million, $105.0 million, and $8.9 million, respectively.

Related-Party Transactions

At December 31, 1990 and 1989, $1,240.9 million and $1,246.4 million, respectively, of interest-bearing loans, including finance receivables, were outstanding to various affiliates of General Motors Corporation and its subsidiaries.

Acquisitions and Intangible Assets

Effective December 31, 1985, the Corporation acquired Hughes Aircraft Company (Hughes) and its subsidiaries for $2.7 billion in cash and cash equivalents and 100 million shares of General Motors Class H common stock having an estimated total value of $2,561.9 million and which carried certain guarantees. On February 28, 1989, the Corporation and the Howard Hughes Medical Institute (Institute) reached agreement to terminate the Corporation's then-existing guarantee obligations with respect to the Institute's holding of Class H common stock. Under terms of the agreement: (i) the Institute received put options exercisable under most circumstances at $30 per share on March 1, 1991, 1992, 1993, and 1995 for 20 million, 10 million, 10 million, and 15 million shares, respectively; (ii) the Corporation has the option to call the Institute's shares from March 1, 1989 until February 28, 1991, 1992, 1993, and 1995 for 20 million, 10 million, 10 million, and 15 million shares, respectively, at a call price of $35 per share for all shares except for the 15 million shares callable until February 28, 1995, for which the call price is $37.50 per share; and (iii) the Corporation paid to the Institute $675 million in cash and approximately $300 million in notes (the aggregate value of the cash and notes was charged to capital surplus).

The acquisition of Hughes was accounted for as a purchase. The purchase price exceeded the net book value of Hughes by $4,244.7 million, which was assigned as follows: $500.0 million to patents and related technology, $125.0 million to the future economic benefits to the Corporation of the Hughes Long-Term Incentive Plan (LTIP), and $3,619.7 million to other intangible assets, including goodwill. The amounts assigned to the various intangible asset categories are being amortized on a straight-line basis: patents and related technology over 15 years, the future economic benefits of the Hughes LTIP over five years, and other intangible assets over 40 years. Amortization is applied directly to the asset accounts.

For the purpose of determining earnings per share and amounts available for dividends on common stocks, the amortization of intangible assets arising from the acquisition of Hughes is charged against earnings attributable to $1-2/3 par value common stock. The effect on the 1990, 1989, and 1988 earnings attributable to $1-2/3 par value common stock was a net credit (charge) of $24.9 million, $17.8 million, and ($31.6) million, respectively, consisting of the amortization of the intangible assets arising from the acquisition, the profit on intercompany transactions, and the earnings of GMHE attributable to $1-2/3 par value common stock.

On October 18, 1984, the Corporation acquired Electronic Data Systems Corporation (EDS) and its subsidiaries for $2,501.9 million. The acquisition was consummated through an offer to exchange EDS common stock for either (a) $44 in cash or (b) $35.20 in cash plus two-tenths of a share of Class E common stock plus a nontransferable contingent promissory note issued by GM. This note is payable seven years after closing

(continued)

NOTE 1. *(concluded)*

in an amount equal to .2 times the excess of $31.25 over the market price of the Class E common stock at the maturity date of the note. Contingent notes were issued in denominations termed "Note Factors," each of which represents five contingent notes. Holders were allowed to tender their notes for prepayment at discounted amounts beginning in October 1989. There are currently approximately 21.0 million contingent notes issued and outstanding. The maximum possible liability to the Corporation for such notes is approximately $654.7 million.

If the market price of Class E common stock at the maturity date of the notes were to equal the market price at December 31, 1990, $38.625 a share, no additional consideration for contingent notes outstanding at December 31, 1990 would be required.

The acquisition of EDS was accounted for as a purchase. The purchase price in excess of the net book value of EDS, $2,179.5 million, was assigned principally to existing customer contracts, $1,069.9 million, computer software programs developed by EDS, $646.2 million, and other intangible assets, including goodwill, $290.2 million. The cost assigned to these assets is being amortized on a straight-line basis over five years for computer software programs (fully amortized in 1989), about seven years for customer contracts, 10 years for goodwill, and varying periods for the remainder. Amortization is applied directly to the asset accounts.

For the purpose of determining earnings per share and amounts available for dividends on common stocks, the amortization of these assets is charged against earnings attributable to $1-2/3 par value common stock. The effect on the 1990, 1989, and 1988 earnings attributable to $1-2/3 par value common stock was a net charge of $111.3 million, $225.1 million, and $286.1 million, respectively, consisting of the amortization of the intangible and other assets arising from the acquisition less related income tax effects, the profit on intercompany transactions, and the earnings of EDS attributable to $1-2/3 par value common stock.

Intangible assets of GMAC amounting to $500.8 million at December 31, 1990 relate to the acquisitions of GMAC Mortgage Corporation and NAVCO Corp. The intangible assets related to the GMAC Mortgage Corporation acquisition are being amortized over periods that generally match future net mortgage servicing rights, while those applicable to the NAVCO Corp. acquisition are being amortized on a straight-line basis over 40 years.

Financial Instruments

The Corporation is party to a variety of interest rate and foreign exchange forward contracts (e.g., swap agreements) and options in the management of its interest rate and foreign exchange exposure.

The Corporation enters into interest rate forward contracts as a means of managing its interest rate exposure. The differential to be paid or received under these agreements is accrued consistent with the terms of the agreements and market interest rates.

The Corporation also enters into foreign exchange contracts and options to hedge obligations and accounts receivable or payable denominated in foreign currencies. Gains and losses on the forward contracts are recognized based on changes in exchange rates, as are offsetting foreign exchange gains or losses on such obligations and accounts receivable or payable.

NOTE 2. Other Income and Other Deductions

(Dollars in Millions)	1990	1989	1988
Other Income			
Insurance premiums	$ 485.2	$ 570.4	$ 697.7
Interest	1,849.8	1,980.4	1,793.9
Other	770.2	1,211.7	731.2
Equity in earnings (losses) of associates	(420.9)	(42.4)	31.1
Total other income	$2,684.3	$3,720.1	$3,253.9

Interest reflects nonfinancing interest income. Other primarily relates to gains recognized by GMAC on the sale of finance receivables, mortgage servicing revenue, and MIC investment income.

	1990	1989	1988
Other Deductions			
Insurance losses and loss adjustment expenses	$ 413.5	$ 442.3	$ 546.5
Provision for financing losses	814.5	841.9	820.8
Other	60.3	58.2	(16.3)
Total other deductions	$1,288.3	$1,342.4	$1,351.0

NOTE 3. General Motors Incentive Program

The General Motors Incentive Program consists of the General Motors 1987 Stock Incentive Plan and the General Motors 1987 Performance Achievement Plan. The Program is administered by the Incentive and Compensation Committee of the Board of Directors (the Committee).

Stock Incentive Plan

Under the 1987 Stock Incentive Plan (the Plan), the Committee may grant options and other rights (including stock appreciation rights, restricted stock units, and contingent payment rights) to key employes during the period from June 1, 1987 through May 31, 1992. The aggregate number of shares for which options and other rights may be granted under the Plan is 50 million shares of $1-2/3 par value common stock, 10 million shares of Class E common stock, and 10 million shares of Class H common stock.

Incentive and nonqualified stock options granted under the Plan generally are exercisable one-half after one year and one-half after two years from the dates of grant; the option prices are 100% of fair market value on the dates of grant. The options generally expire 10 years from the dates of grant and are subject to earlier termination under certain conditions.

Stock appreciation rights (SARs) have been granted to certain officers of the Corporation in prior years, but no SARs

(continued)

NOTE 3. *(concluded)*

or contingent payment rights were granted in 1990, 1989, or 1988. SARs provide holders with the right to receive cash equal in value to the appreciation in the Corporation's $1-2/3 par value common stock over the option price of the shares under option. They may be exercised only upon surrender of the related options and expire with the related options.

Changes in the status of outstanding options, including those granted under prior plans, were as follows:

$1-2/3 par value common stock	Option Prices	Shares Under Option
Outstanding at January 1, 1988	$19.13-$40.85	8,740,148
Granted	37.47	3,198,420
Exercised: Options	19.13-40.85	(715,306)
SARs	19.13-38.60	(175,350)
Terminated	23.25-40.85	(122,440)
Outstanding at December 31, 1988	19.13-40.85	10,925,472
Granted	41.50	3,060,195
Exercised: Options	19.13-40.85	(2,628,417)
SARs	19.13-38.60	(407,222)
Terminated	25.00-41.50	(115,378)
Outstanding at December 31, 1989	19.13-41.50	10,834,650
Granted	48.07	3,520,835
Exercised: Options	19.13-41.50	(1,521,324)
SARs	19.13-38.60	(159,408)
Terminated	33.97-48.07	(92,122)
Outstanding at December 31, 1990	$19.13-$48.07	12,582,631

The Corporation intends to continue to deliver newly issued $1-2/3 par value common stock upon the exercise of the stock options. At December 31, 1990, options for 7,587,299 shares were exercisable and the maximum number of shares for which additional options and other rights may be granted under the Plan was 26,290,304 shares of $1-2/3 par value common stock, 6,121,704 shares of Class E common stock, and 6,254,993 shares of Class H common stock.

Each restricted stock unit (Unit) relates to one share of $1-2/3 par value common stock, Class E common stock, or Class H common stock, as determined by the Committee at the time of grant. The Units entitle the employe to receive, without payment to the Corporation, shares of common stock in consideration for services performed. Such Units vest over specified periods generally ranging up to three years from the date of grant. No significant awards were granted by the Committee in 1990.

Performance Achievement Plan

Under the provisions of the 1987 Performance Achievement Plan, the Committee established target awards for the four-year period ending in 1993. Awards are established based on targeted relationships between Corporation earnings and worldwide industry sales during the award periods; the percentages of the target awards ultimately distributed to the participants are determined by the Committee based on actual results in relation to the established goals and individual performance.

NOTE 4. EDS Incentive Plans

Under the 1984 Electronic Data Systems Corporation Stock Incentive Plan, shares, rights, or options to acquire up to 80 million shares of Class E common stock may be granted or sold during the 10-year life of the EDS Plan.

The EDS incentive and compensation committee has granted to key employes a total of 19,495,458 shares of Class E common stock at prices up to $0.05 per share. The Class E common shares granted under the EDS Plan are subject to restrictions and generally vest over a 10-year period from the date the stock rights are granted.

The committee also has granted incentive stock options under the provisions of the EDS Plan. The option price is equal to 100% of the fair market value of Class E common stock on the date the options were granted. These incentive stock options expire in October 1991 and are subject to earlier termination under certain conditions. Changes in the status of outstanding options were as shown below.

Class E common stock	Option Price	Shares Under Option
Outstanding at January 1, 1988	$17.91	6,974,900
Exercised	17.91	(270,958)
Terminated	17.91	(169,228)
Outstanding at December 31, 1988	17.91	6,534,714
Exercised	17.91	(2,233,062)
Terminated	17.91	(286,426)
Outstanding at December 31, 1989	17.91	4,015,226
Exercised	17.91	(1,789,549)
Terminated	17.91	(15,710)
Outstanding at December 31, 1990	$17.91	2,209,967

All outstanding options were exercisable at December 31, 1990 and the maximum number of shares for which additional shares, rights, or options may be granted under the EDS Plan was 54,485,858 shares.

NOTE 5. GMHE Incentive Plans

Under the GMHE Incentive Plan, shares, rights, or options to acquire up to 20 million shares of Class H common stock may be granted during the 10-year life of the GMHE Plan.

The GM Incentive and Compensation Committee may grant options and other rights to acquire shares of Class H common stock under the provisions of the GMHE Plan. The option price is equal to 100% of the fair market value of Class H common stock on the date the options were granted. These nonqualified options generally expire 10 years from the dates of grant and are subject to earlier termination under certain conditions.

Changes in the status of outstanding options were as follows:

Class H common stock	Option Prices	Shares Under Option
Outstanding at January 1, 1988	$19.75-$24.69	838,610
Granted	30.00-30.25	818,375
Exercised	19.75-24.60	(44,530)
Terminated	24.34-30.25	(72,510)
Outstanding at December 31, 1988	19.75-30.25	1,539,945
Granted	27.57	994,765
Exercised	19.75-24.60	(42,576)
Terminated	27.57-30.00	(106,850)
Outstanding at December 31, 1989	19.75-30.25	2,385,284
Granted	21.38	1,231,485
Terminated	21.38-27.57	(24,670)
Outstanding at December 31, 1990	$19.75-$30.25	3,592,099

Options for 1,933,253 shares of Class H common stock were exercisable at December 31, 1990 and the maximum number of shares for which additional options and other rights may be granted under the GMHE Plan was 14,776,389 shares.

NOTE 6. Pension Program and Postemployment Benefits

The Corporation and its subsidiaries have a number of defined benefit pension plans covering substantially all employes. Plans covering U.S. and Canadian represented employes generally provide benefits of negotiated stated amounts for each year of service as well as significant supplemental benefits for employes who retire with 30 years of service before normal retirement age. The benefits provided by the plans covering its U.S. and Canadian salaried employes, and employes in certain foreign locations, are generally based on years of service and the employe's salary history. The Corporation and its subsidiaries also have certain nonqualified pension plans covering executives which are based on targeted wage replacement percentages and are unfunded.

Plan assets are primarily invested in United States Government obligations, equity and fixed income securities, commingled pension trust funds, GM preference stock valued at approximately $690.8 million as of the measurement date in 1990, and insurance contracts. The Corporation's funding policy with respect to its qualified plans is to contribute annually not less than the minimum required by applicable law and regulation nor more than the maximum amount which can be deducted for Federal income tax purposes.

Certain changes in actuarial assumptions had the effect of reducing the 1990 consolidated net loss by $289.8 million or $0.48 per share of $1-2/3 par value common stock.

Total pension expense of the Corporation and its subsidiaries amounted to $368.9 million in 1990, $810.8 million in 1989, and $544.4 million in 1988. Net periodic pension cost (credit) for 1990, 1989, and 1988 of U.S. plans and plans of subsidiaries outside the United States included the components shown in the table on the next page.

(continued)

NOTE 6. *(continued)*

1990	U.S. Plans		Non-U.S. Plans	
	(Dollars in Millions)			
Benefits earned during the year		$ 713.6		$105.5
Interest accrued on benefits earned in prior years		3,389.4		373.0
Return on assets				
—Actual loss	$2,117.1		$159.9	
—Plus deferred loss	(6,153.9)	(4,036.8)	(517.0)	(357.1)
Net amortization		93.2		7.9
Net periodic pension cost		$ 159.4		$129.3
1989				
Benefits earned during the year		$ 661.2		$ 90.7
Interest accrued on benefits earned in prior years		3,331.6		335.4
Return on assets				
—Actual gain	($6,443.9)		($532.2)	
—Less deferred gain	3,025.6	(3,418.3)	204.5	(327.7)
Net amortization		87.0		(7.9)
Net periodic pension cost		$ 661.5		$ 90.5
1988				
Benefits earned during the year		$ 616.6		$ 83.1
Interest accrued on benefits earned in prior years		3,190.3		301.4
Return on assets				
—Actual loss	$ 56.1		$ 25.7	
—Plus deferred loss	(3,420.2)	(3,364.1)	(394.2)	(368.5)
Net amortization		74.9		(47.0)
Net periodic pension cost (credit)		$ 517.7		($ 31.0)

The table on the next page reconciles the funded status of the Corporation's U.S. and non-U.S. plans with amounts recognized in the Corporation's Consolidated Balance Sheet at December 31, 1990 and 1989.

The unfunded liability in excess of the unamortized prior service cost and net transition obligation was recorded as a reduction of $1,004.7 million in Stockholders' Equity during 1990 in accordance with Statement of Financial Accounting Standards No. 87, Employers' Accounting for Pensions. The remaining portion of the unfunded liability of $5,874.9 million and $2,101.0 million was primarily recorded as an intangible asset at December 31, 1990 and 1989, respectively.

Measurement dates used for the Corporation's principal U.S. plans are October 1 for GM's plans (including Delco Electronics Corporation) and EDS, and December 1 for Hughes plans. For non-U.S. plans, the measurement dates used are October 1 for certain foreign plans and December 1 for Canadian plans.

The weighted average discount rate used in determining the actuarial present values of the projected benefit obligation shown in the table on the next page for U.S. plans was 10.0% at December 31, 1990 and 9.5% at December 31, 1989 and for non-U.S. plans was 10.5% at December 31, 1990 and 9.8% at December 31, 1989. The rate of increase in future compensation levels of applicable U.S. employes was 5.4% at both December 31, 1990 and December 31, 1989 and of applicable non-U.S. employes was 5.9% at December 31, 1990 and 5.5% at December 31, 1989. Benefits under the hourly plans are generally not based on wages and therefore no benefit escalation beyond existing negotiated increases was included. The expected long-term rate of return on assets used in determining pension expense for U.S. plans was 11.0% for 1990 and 10.1% for 1989, and for non-U.S. plans was 10.9% for 1990 and 10.5% for 1989. The assumptions for non-U.S. plans were developed on a basis consistent with that for U.S. plans, adjusted to reflect prevailing economic conditions and interest rate environments.

In addition to providing pension benefits, the Corporation and certain of its subsidiaries provide certain health care and life insurance benefits for active and retired employes. The Corporation recognizes the cost of providing those benefits as incurred. The cost of such benefits amounted to $3,782.1 million in 1990, $3,450.4 million in 1989, and $3,507.7 million in 1988, of which $1,198.7 million in 1990, $1,067.4 million in 1989, and $1,130.6 million in 1988 related to retired employes.

(continued)

NOTE 6. *(concluded)*

(Dollars in Millions)	U.S. Plans				Non-U.S. Plans			
	1990		1989		1990		1989	
Actuarial present value of benefits based on service to date and present pay levels	Assets Exceed Accum. Benefits	Accum. Benefits Exceed Assets	Assets Exceed Accum. Benefits	Accum. Benefits Exceed Assets	Assets Exceed Accum. Benefits	Accum. Benefits Exceed Assets	Assets Exceed Accum. Benefits	Accum. Benefits Exceed Assets
Vested	$15,236.9	$18,901.1	$14,300.3	$16,948.5	$2,037.4	$1,638.1	$1,969.9	$1,261.0
Nonvested	493.3	4,466.4	614.9	3,731.4	137.7	40.2	161.1	38.1
Accumulated benefit obligation	15,730.2	23,367.5	14,915.2	20,679.9	2,175.1	1,678.3	2,131.0	1,299.1
Additional amounts related to projected pay increases	1,517.7	111.4	1,553.6	78.5	165.8	312.1	154.7	225.9
Total projected benefit obligation based on service to date	17,247.9	23,478.9	16,468.8	20,758.4	2,340.9	1,990.4	2,285.7	1,525.0
Plan assets at fair value	18,678.8	16,209.7	21,166.0	18,885.9	3,080.9	49.8	3,174.2	8.6
Projected benefit obligation (in excess of) less than plan assets	1,430.9	(7,269.2)	4,697.2	(1,872.5)	740.0	(1,940.6)	888.5	(1,516.4)
Unamortized net amount resulting from changes in plan experience and actuarial assumptions	1,886.2	1,086.8	(915.0)	(1,093.7)	448.0	(99.3)	120.3	(221.0)
Unamortized prior service cost	818.6	4,306.3	16.5	1,612.8	323.5	212.5	334.0	203.3
Unamortized net obligation (asset) at date of adoption	(1,751.9)	1,345.4	(1,946.1)	1,480.0	(691.5)	437.2	(696.1)	417.6
Adjustment for unfunded pension liabilities	—	(6,627.1)	—	(1,920.6)	—	(252.5)	—	(180.4)
Net prepaid pension cost (accrued liability) recognized in the Consolidated Balance Sheet	$ 2,383.8	($ 7,157.8)	$ 1,852.6	($ 1,794.0)	$ 820.0	($1,642.7)	$ 646.7	($1,296.9)

NOTE 7. Special Provision for Scheduled Plant Closings and Other Restructurings

In 1990, a special restructuring charge of $3,314.0 million was included in the results of operations to provide for the closing of four previously idled U.S. assembly plants, as well as provide for other North American manufacturing and warehouse operations which will be consolidated or cease operating over the next three years. As a result, consolidated net loss was increased by $2,087.8 million or $3.47 per share of $1-2/3 par value common stock.

A similar provision was made in 1986 in the amount of $1,287.6 million for costs associated with scheduled plant closings in the U.S. and other restructurings of foreign operations that were reasonably estimable at the time.

During 1990, 1989, and 1988, a net of $1,731.7 million, $148.1 million, and $218.6 million, respectively, was charged against these reserves.

NOTE 8. Profit Sharing Plans

The profit sharing formula provides a range of percentage payouts when the Corporation's U.S. income before income taxes plus equity in U.S. earnings of finance subsidiaries exceeds various minimum annual returns on U.S. sales and revenues. Both the percentage payout and the minimum returns are as agreed to by the Corporation and eligible U.S. employes. GM's loss in 1990 precludes a payment under the profit sharing formula. The accrual for profit sharing was $22.1 million in 1989 and $114.1 million in 1988.

NOTE 9. United States, Foreign, and Other Income Taxes (Credit)

(Dollars in Millions)	1990	1989	1988
Taxes estimated to be payable currently			
United States Federal	$ 274.4	$1,017.0	$1,628.3
Foreign	1,856.7	1,180.3	552.6
State and local	62.3	93.6	76.8
Total	2,193.4	2,290.9	2,257.7
Taxes deferred—net			
United States Federal	(1,946.9)	(314.3)	(172.9)
Foreign	(27.6)	472.0	253.4
State and local	(255.4)	(28.5)	44.3
Total	(2,229.9)	129.2	124.8
Investment tax credits amortized—net			
United States Federal	(176.1)	(225.3)	(263.2)
Foreign	(18.8)	(20.8)	(16.5)
Total	(194.9)	(246.1)	(279.7)
Total taxes (credit)	($ 231.4)	$2,174.0	$2,102.8*

*Excluding effect of accounting change.

The deferred taxes (credit) for timing differences consisted principally of the following: 1990—$672.6 million for depreciation, ($1,059.8) million for sales and product allowances, ($583.0) million for the Alternative Minimum Tax, ($552.5) million for vehicle instalment sales, ($124.8) million for profits on long-term contracts, ($116.6) million for provision for financing losses, and $105.1 million for policy and warranty; 1989—$797.3 million for depreciation, ($111.8) million for vehicle instalment sales, ($547.1) million for benefit plans expense, ($159.9) million for profits on long-term contracts, and ($340.0) million for lease transactions; and 1988—$602.6 million for depreciation, ($217.3) million for vehicle instalment sales, ($329.6) million for benefit plans expense, ($290.0) million for profits on long-term contracts, ($126.8) million for lease transactions, ($242.5) million for policy and warranty, and $190.2 million for uniform capitalization of inventory costs.

Income (loss) before income taxes included the following components:

(Dollars in Millions)	1990	1989	1988
Domestic income (loss)	($6,490.8)	$2,967.3	$3,170.8
Foreign income	4,273.7	3,431.0	3,564.1
Total	($2,217.1)	$6,398.3	$6,734.9

The consolidated income tax (credit) was different than the amount computed using the United States statutory income tax rate for the reasons set forth in the following table:

(Dollars in Millions)	1990	1989	1988
Expected tax (credit) at U.S. statutory income tax rate	($753.8)	$2,175.4	$2,289.9
State and local income taxes	(127.9)	45.7	95.2
Investment tax credits amortized	(211.8)	(277.0)	(293.2)
Utilization of loss carry-forwards at certain foreign operations	(6.6)	(220.7)	(353.9)
U.S. tax effect of foreign earnings and dividends	325.1	436.2	414.8
Foreign rates other than 34%	192.2	191.4	(133.7)
Tax rate changes on reversing timing differences	(164.3)	(117.9)	(126.6)
Equity effect in pre-tax income	143.1	14.4	(10.6)
Other adjustments	372.6	(73.5)	220.9
Consolidated income tax (credit)	($231.4)	$2,174.0	$2,102.8*

Certain amounts for 1989 and 1988 have been reclassified to conform with 1990 classifications.

*Excluding effect of accounting change.

NOTE 10. Earnings (Loss) Per Share Attributable to and Dividends on Common Stocks

Earnings (Loss) per share attributable to common stocks have been determined based on the relative amounts available for the payment of dividends to holders of $1-2/3 par value, Class E, and Class H common stocks. Prior to 1990, the effect on earnings per share of $1-2/3 par value common stock resulting from the assumed exercise of outstanding options, the delivery of stock awards, the assumed conversion of the preference shares discussed in Note 17, and the assumed exercise of the put options discussed in Note 1 was not material. However, for 1990, the loss per share attributable to $1-2/3 par value common stock has been computed by dividing such loss by the average number of common and equivalent shares outstanding. The operations of the EDS and GMHE Incentive Plans and the assumed exercise of stock options do not have a material dilutive effect on earnings per share of Class E or Class H common stocks, respectively, at this time.

Dividends on the $1-2/3 par value common stock are declared out of the earnings of GM and its subsidiaries, excluding the Available Separate Consolidated Net Income of EDS and GMHE.

Dividends on the Class E and Class H common stocks are declared out of the Available Separate Consolidated Net Income of EDS and GMHE, respectively, earned since the acquisition by GM. The Available Separate Consolidated Net Income of EDS and GMHE is determined quarterly and is equal to the separate consolidated net income of EDS and GMHE, respectively, excluding the effects of purchase accounting adjustments arising at the time of acquisition, multiplied by a fraction, the numerator of which is the weighted

(continued)

NOTE 10. *(concluded)*

average number of shares of Class E or Class H common stock outstanding during the period and the denominator of which is currently 239.3 million shares for Class E and 399.7 million shares for Class H. The denominators during 1989 and 1988 were 238.7 million and 243.8 million shares, respectively, for Class E and 400.0 million shares for Class H.

The denominators used in determining the Available Separate Consolidated Net Income of EDS and GMHE are adjusted as deemed appropriate by the Board of Directors to reflect subdivisions or combinations of the Class E and Class H common stocks and to reflect certain transfers of capital to or from EDS and GMHE. In this regard, the Board has generally caused the denominators to decrease as shares are purchased by EDS or GMHE, and to increase as such shares are used at EDS or GMHE expense for EDS or GMHE employe benefit plans or acquisitions.

Dividends may be paid on common stocks only when, as, and if declared by the Board of Directors in its sole discretion. The Board's policy with respect to $1-2/3 par value common stock is to distribute dividends based on the outlook and the indicated capital needs of the business. At the February 4, 1991 meeting of the Board, the quarterly dividend on the $1-2/3 par value common stock was reduced from $0.75 per share to $0.40 per share. This action was taken as a part of a comprehensive cost-cutting and cash-conservation program to strengthen GM's competitive position. The current policy of the Board with respect to the Class E and Class H common stocks is to pay cash dividends approximately equal to 30% and 35% of the Available Separate Consolidated Net Income of EDS and GMHE, respectively, for the prior year. At the February 4, 1991 Board meeting, the dividend on the Class E common stock was increased by 14% to a quarterly rate of $0.16 per share from a rate of $0.14 per share in 1990. The quarterly dividend on Class H common stock was continued at $0.18 per share.

NOTE 11. Cash and Marketable Securities

	1990		1989	
(Dollars in Millions)	Cost	Market Value	Cost	Market Value
Cash, time deposits, and certificates of deposit	$2,334.1	$2,330.6	$ 3,916.4	$ 3,916.7
Bonds, notes, and other securities				
United States Government and other governmental agencies and authorities	1,213.1	1,218.0	1,110.8	1,118.8
States, municipalities, and political subdivisions	1,131.8	1,195.7	1,354.7	1,400.2
Other	2,503.0	2,497.6	3,168.1	3,227.3
Preferred stocks with mandatory redemption terms	54.4	49.9	71.5	72.5
Equity securities—common stocks				
Public utilities	29.6	51.9	34.9	75.7
Banks, trust and insurance companies	15.8	27.4	14.3	29.4
Industrial and miscellaneous	246.5	505.7	200.8	486.7
Total cash and marketable securities	7,528.3	$7,876.8	9,871.5	$10,327.3
Adjustment to value common stocks at market	293.1		341.8	
Book value of cash and marketable securities	$7,821.4		$10,213.3	

Certificates of deposit, bonds, notes, and preferred stocks with mandatory redemption terms are carried at amortized cost. Other stocks are carried at market value. The aggregate excess of market value over cost, net of related income taxes, is included as a component of Stockholders' Equity.

Cash equivalents are defined as short-term, highly liquid investments with original maturities of 90 days or less and are commingled in the preceding schedule.

The distribution of maturities of GMAC debt securities outstanding at December 31, 1990 and 1989 is summarized as follows:

	1990		1989	
Maturity (Dollars in Millions)	Cost	Market Value	Cost	Market Value
Due in one year or less	$ 386.6	$ 382.6	$ 179.6	$ 180.1
Due after one year through five years	636.5	665.8	680.1	713.5
Due after five years through 10 years	451.9	459.6	612.3	633.3
Due after 10 years	551.0	580.4	560.8	596.8
Mortgage-backed securities	406.6	417.7	348.3	358.1
Total debt securities	$2,432.6	$2,506.1	$2,381.1	$2,481.8

Proceeds from the sale of debt securities amounted to $1,427.6 million in 1990 and $1,201.5 million in 1989. Gross realized gains amounted to $18.4 million in 1990 and $23.6 million in 1989. Gross realized losses amounted to $11.1 million in 1990 and $3.7 million in 1989.

(continued)

NOTE 11. *(concluded)*

The extent of unrealized gains and losses on GMAC debt securities at December 31, 1990 and 1989 is set forth below:

	1990		1989	
Type of Security (Dollars in Millions)	Unrealized Gains	Unrealized Losses	Unrealized Gains	Unrealized Losses
Bonds, notes, and other securities				
United States government and other governmental agencies and authorities	$ 4.9	$ 0.5	$ 9.0	$ 0.9
States, municipalities, and political subdivisions	69.7	6.0	94.6	8.1
Other	16.1	6.2	8.4	3.3
Preferred stocks with mandatory redemption terms	1.5	6.0	1.0	—
Total	$92.2	$18.7	$113.0	$12.3

The difference between market value and cost of equity securities at December 31, 1990 and 1989 consisted of gross unrealized profits (excess of market value over cost) of $306.7 million and $344.4 million and gross unrealized losses (excess of cost over market value) of $13.6 million and $2.6 million, respectively. Net gains realized from the sale of equity securities amounted to $41.6 million in 1990 and $11.2 million in 1989.

Supplemental disclosure of cash flow information is as follows:

(Dollars in Millions)	1990	1989	1988
Cash paid (refunded) during the years for			
Interest	$8,558.3	$8,613.8	$7,406.3
Income taxes	1,100.9	1,540.1	(177.0)
Noncash investing and financing activities—capital leases	13.3	67.0	47.4

NOTE 12. Finance Receivables—Net

The distribution of maturities of finance receivables outstanding at December 31, 1990 and 1989 is summarized as follows:

(Dollars in Millions)	1990	1989
Retail, lease financing, and leasing receivables		
Past due		
Over 30 days	$ 188.3	$ 187.0
30 days or less	562.3	503.6
Due in following year	26,870.0	27,176.9
Due in second following year	21,091.5	21,138.3
Due thereafter	23,775.6	25,938.4
Total	72,487.7	74,944.2
Wholesale receivables (principally due on demand)	23,414.4	23,760.9
Term loans to dealers and others	3,466.7	3,488.3
Other	1,299.4	1,534.8
Total finance receivables	100,668.2	103,728.2
Less		
Unearned income	9,259.5	10,082.8
Allowance for financing losses	1,292.5	1,290.8
Total finance receivables—net	$ 90,116.2	$ 92,354.6
Repossessions (included above)	$349.4	$345.5

The aggregate amount of total receivables maturing in each of the five years following December 31, 1990 is as follows: 1991—$53,608.4 million; 1992—$21,577.3 million; 1993—$14,674.5 million; 1994—$7,486.3 million; 1995—$2,421.6 million; and 1996 and thereafter—$900.1 million.

The following table presents an analysis of the allowance for financing losses for 1990, 1989, and 1988.

(Dollars in Millions)	1990	1989	1988
Allowance for financing losses at beginning of the year	$1,290.8	$1,175.0	$ 979.4
Provision for financing losses			
Non-recourse increment—retail	652.7	563.8	332.8
Other	161.8	278.1	488.0
Total	814.5	841.9	820.8
Charge-offs	(931.7)	(827.1)	(695.2)
Recoveries and other	118.9	101.0	70.0
Allowance for financing losses at end of the year	$1,292.5	$1,290.8	$1,175.0

In December 1990, GMAC sold net retail finance receivables aggregating approximately $1.2 billion through a special purpose subsidiary. This subsidiary retained as an investment approximately 9% of the total receivables pool and marketed

(continued)

NOTE 12. *(concluded)*

the remaining portion. The subsidiary will absorb all losses related to the receivables to the extent of its investment in this subordinated portion.

GMAC's retail instalment obligation servicing portfolio at December 31, 1990, including the amount sold in December, amounted to $1.5 billion, compared with $1.4 billion at December 31, 1989. Gains or losses on the sales of receivables are recorded in Other Income.

GMAC's recourse liability under the limited guaranties connected with sales made in prior years of certain retail finance receivables is generally 5% of the outstanding balances in the pools. The amount recorded for this portion of liability totaled $5.8 million at December 31, 1990 and $22.8 million at December 31, 1989.

NOTE 13. General Motors Acceptance Corporation and Subsidiaries

Condensed Consolidated Balance Sheet (Dollars in Millions)	**1990**	**1989**
Cash and investments in securities	$ 3,214.9	$ 3,142.6
Finance receivables—net	79,189.6	79,120.1
Notes receivable from General Motors Corporation	12,918.0	14,460.5
Other assets	9,780.6	6,839.2
Total Assets	$105,103.1	$103,562.4
Short-term debt	$ 53,715.8	$ 54,415.4
Accounts payable and other liabilities (including GM and affiliates—$2,725.5 and $2,897.7)	9,199.7	8,912.0
Long-term debt	34,185.4	32,453.0
Stockholder's equity	8,002.2	7,782.0
Total Liabilities and Stockholder's Equity	$105,103.1	$103,562.4

Condensed Statement of Separate Consolidated Net Income (Dollars in Millions)	**1990**	**1989**	**1988**
Gross Revenue	$14,787.1	$14,503.8	$13,499.6
Interest and discount	7,965.8	7,908.3	6,641.9
Other expenses	4,972.9	5,044.0	5,060.0
Total Expenses	12,938.7	12,952.3	11,701.9
Income before income taxes	1,848.4	1,551.5	1,797.7
Income taxes	658.3	440.8	610.1
Separate Consolidated Net Income	$ 1,190.1	$ 1,110.7	$ 1,187.6
Cash dividends paid to GM	$ 1,000.0	$ 600.0	$ 1,000.0

NOTE 14. Real Estate, Plants, and Equipment and Accumulated Depreciation

(Dollars in Millions)	1990	1989
Real estate, plants, and equipment (Note 15)		
Land	$ 688.4	$ 673.2
Land improvements	1,814.0	1,711.5
Leasehold improvements—less amortization	326.9	185.6
Buildings	13,060.7	12,445.3
Machinery and equipment	43,601.0	41,125.6
Furniture and office equipment	3,257.0	2,843.2
Satellites and related facilities	863.0	504.6
Capitalized leases	1,237.7	1,170.2
Construction in progress	2,370.7	2,731.5
Total	$67,219.4	$63,390.7
Accumulated depreciation		
Land improvements	$ 1,041.6	$ 968.7
Buildings	6,354.4	5,731.0
Machinery and equipment	27,747.2	25,468.1
Furniture and office equipment	2,176.6	1,849.0
Satellites and related facilities	231.4	192.1
Capitalized leases	729.6	640.8
Total	$38,280.8	$34,849.7

The lease payments applicable to equipment on operating leases maturing in each of the five years following December 31, 1990 are as follows: 1991—$2,388.9 million; 1992—$2,096.5 million; 1993—$1,126.4 million; 1994—$241.9 million; and 1995—$2.1 million.

NOTE 15. Notes and Loans Payable

(Dollars in Millions)	Weighted Average Interest Rate	1990	1989
Notes, loans, and debentures			
Payable within one year	Various	$57,123.9	$56,926.0
Payable beyond one year			
U.S. Dollars			
1991	—	—	8,702.7
1992	9.1%	8,811.4	6,545.8
1993	8.6%	6,852.4	4,118.2
1994	8.8%	4,460.0	3,410.6
1995	9.1%	2,323.4	741.6
1996 and after	9.0%	9,142.3	7,468.6
Other currencies	Various	8,094.9	6,846.8
Unamortized discount		(1,332.8)	(1,518.0)
Subordinated indebtedness	Various	158.0	182.5
Total		$95,633.5	$93,424.8

The Corporation and its subsidiaries maintain bank lines of credit that are supported by bank commitment fees and compensating balances against certain lines of credit. Compensating balances, which are not subject to withdrawal restrictions, are maintained at a level required to provide the same income that a fee would generate. Commitment fees incurred by the Corporation amounted to $16.1 million in 1990, $15.3 million in 1989, and $22.5 million in 1988. Compensating balances maintained by the Corporation averaged $29.6 million for 1990 and $31.2 million for 1989.

At December 31, 1990, the Corporation and its subsidiaries had unused short-term credit lines of approximately $20.2 billion and unused long-term credit agreements of approximately $2.8 billion.

Short-term borrowings are primarily entered into by GMAC. Commercial paper is offered in the United States, Canada, and Europe in varying terms ranging up to 270 days. The weighted average interest rates on commercial paper at December 31, 1990, 1989, and 1988 were 8.52%, 9.05%, and 9.22%, respectively. Master notes represent borrowings on a demand basis arranged generally under agreements with trust departments of certain banks. The weighted average interest rates on master notes at December 31, 1990, 1989, and 1988 were 7.38%, 8.39%, and 9.14%, respectively. Commercial paper and master notes obligations were $30,303.3 million and $4,291.6 million, respectively, at December 31, 1990 and $33,816.9 million and $4,536.8 million, respectively, at December 31, 1989.

Short-term borrowing amounts and interest rates during the years shown were as follows:

(Dollars in Millions)	1990	1989	1988
Maximum amount outstanding at any month-end	$46,554.0	$48,686.3	$47,376.5
Average borrowings outstanding during the year	$45,464.7	$47,161.0	$44,304.6
Weighted average short-term interest rates*	8.85%	9.37%	7.67%
Weighted average commercial paper rates**	8.74%	9.46%	7.66%

*Based on the approximate average aggregate amount outstanding during the year and the cost of borrowings.
**Rates have been determined by relating commercial paper costs for each year to the daily average dollar amounts outstanding.

An option to acquire the New York office building of General Motors has been exercised by an unrelated party and will result in a gain to the Corporation of approximately $600 million in the first quarter of 1991. The option was granted in connection with a private financing in 1981.

Total interest cost incurred in 1990, 1989, and 1988 amounted to $8,870.0 million, $8,859.4 million, and $7,297.8 million, respectively, of which $98.3 million, $102.2 million, and $64.9 million, related to certain real estate, plants, and equipment acquired in those years, was capitalized.

NOTE 16. Other Liabilities

(Dollars in Millions)	1990	1989
Taxes, other than income taxes	$ 1,391.2	$ 1,202.2
Payrolls	2,030.3	1,839.8
Employe benefits	10,148.7	3,298.1
Warranties, dealer and customer allowances, claims, discounts, etc.	7,285.1	6,801.5
Unpaid insurance losses, loss adjustment expenses, and unearned insurance premiums	2,290.4	2,144.5
Interest	2,615.8	1,372.4
Other	12,493.7	11,798.2
Total	$38,255.2	$28,456.7

NOTE 17. Stockholders' Equity

The preferred stock is subject to redemption at the option of the Board of Directors on any dividend date on not less than 30 days' notice at the redemption prices stated on the following page, plus accrued dividends.

The preference stock originally consisted of six separate series of 3,262,306 nonvoting shares, three E series and three H series, contributed in September 1987 to GM's U.S. pension plans that, subject to the fixed per share dividends paid after each series' redemption date, pay dividends equivalent to twice the dividends declared and paid on the related Class E and Class H common stock. On October 1, 1990, 3,262,306 Series H-I shares were redeemed at the redemption price of $63.50. No Series E-I shares were redeemed; therefore, they are eligible for the preferential dividend as discussed in the next column. The remaining preference shares are convertible on a one-for-two fixed basis into Class E or Class H common shares four and five years after issuance.

Holders of the preference shares will be able to elect to require GM to redeem the shares at the prices and on the following specific dates:

Preference Stock Series	Redemption Price/Share	Redemption Date
E-II	$62.00	September 15, 1991
E-III	67.25	September 15, 1992
H-II	69.00	September 15, 1991
H-III	74.75	September 15, 1992

The redemption prices indicated above represent the liquidation values of such shares. The liquidation value of Series E-I shares remains $57.25 per share. At December 31, 1990, the Series H-II and H-III shares have been reclassified to Stocks Subject to Repurchase reflecting the probability that they will be redeemed at the redemption dates noted above.

On or after each series' redemption date, quarterly preferential dividends will be payable of $0.715 per share on Series E shares and $0.795 per share on Series H shares. After September 15, 1993, any or all of the preference shares not converted could be redeemed by GM at its option at the applicable redemption prices, although preference shareholders will first have the right to convert if GM exercises its redemption option.

Holders of $1-2/3 par value, Class E, and Class H common stocks are entitled to one, one-quarter, and one-half vote per share, respectively, on all matters submitted to the stockholders for a vote. The liquidation rights of common stockholders are based on per share liquidation units of the various classes and are subject to certain adjustments if outstanding common stock is subdivided, by stock split or otherwise, or if shares of one class of common stock are issued as a dividend to holders of another class of common stock. At December 31, 1990, each share of $1-2/3 par value, Class E, and Class H common stocks was entitled to a liquidation unit of approximately one, one-quarter, and one-half, respectively.

If at any time GM should sell, liquidate, or otherwise dispose of substantially all of EDS, Hughes, or the other business of GMHE, shares of the Corporation's $1-2/3 par value common stock will automatically be exchanged for Class E or Class H common stock, respectively.

After December 31, 1994 or December 31, 1995, the Board of Directors may exchange $1-2/3 par value common stock for Class E or for Class H common stock, respectively, if the Board has declared and paid certain minimum cash dividends during each of the five years preceding the exchange.

In the event any of the aforementioned exchanges were to occur, the Class E or Class H common stockholders would receive $1-2/3 par value common stock having a market value at the time of the exchange equal to 120% of the market value of the Class E or Class H common stock exchanged.

The Certificate of Incorporation provides that no cash dividends may be paid on the $1-2/3 par value, Class E, or Class H common stock, or any series of preference stock unless current assets exceed current liabilities (both as defined) by greater than $75 per share of outstanding preferred stock. Such current assets exceeded current liabilities by greater than $75 in respect of each share of outstanding preferred stock at December 31, 1990 and 1989.

At December 31, 1990, consolidated net income retained for use in the business attributable to $1-2/3 par value, Class E, and Class H common stocks was $25,699.9 million, $710.8 million, and $737.9 million, respectively.

(continued)

NOTE 17. *(continued)*

(Dollars in Millions Except Per Share Amounts)	1990	1989	1988
Capital Stock			
Preferred Stock, without par value, cumulative dividends (authorized, 6,000,000 shares)			
$5.00 series, stated value $100 per share, redeemable at Corporation option at $120 per share—outstanding at beginning and end of the year (1,530,194 shares)	$ 153.0	$ 153.0	$153.0
$3.75 series, stated value $100 per share, redeemable at Corporation option at $100 per share—outstanding at beginning and end of the year (814,100 shares)	81.4	81.4	81.4
Preference Stock, $0.10 par value (authorized, 100,000,000 shares)			
E series, convertible one-for-two at fixed dates into Class E common stock Issued at beginning and end of the year (9,786,918 shares)	1.0	1.0	1.0
H series, convertible one-for-two at fixed dates into Class H common stock			
Issued at beginning of the year (9,786,918 shares)	1.0	1.0	1.0
Redeemed by the Corporation during the year (3,262,306 shares)	(0.3)	—	—
Reclassification of shares subject to redemption (6,524,612 shares)	(0.7)	—	—
Issued at end of the year (9,786,918 shares in 1989 and 1988)	—	1.0	1.0
Common Stock, $1-2/3 par value (authorized, 1,000,000,000 shares)			
Issued at beginning of the year (605,683,572 shares in 1990, 306,456,671 in 1989, and 312,654,018 in 1988)	1,009.5	510.7	521.1
Reacquired on the open market (3,589,000 shares in 1990, 9,856,604 in 1989, and 6,555,000 in 1988)	(6.0)	(16.4)	(11.0)
Issued under provisions of the GM Incentive Program (Note 3) and other employe stock plans (3,497,784 shares in 1990, 2,138,166 in 1989, and 357,653 in 1988)	5.8	3.6	0.6
Two-for-one stock split in the form of a 100% stock dividend (306,945,339 shares)	—	511.6	—
Issued at end of the year (605,592,356 shares in 1990, 605,683,572 in 1989, and 306,456,671 in 1988)	1,009.3	1,009.5	510.7
Class E Common Stock, $0.10 par value (authorized, 500,000,000 shares)			
Issued at beginning of the year (48,830,764 shares in 1990, 50,646,603 in 1989, and 51,601,687 in 1988)	4.9	5.1	5.2
Issued in connection with acquisitions (3,969,484 shares)	—	—	0.4
Reacquired on the open market (2,204,676 shares in 1990, 3,581,949 in 1989, and 5,819,978 in 1988)	(0.2)	(0.4)	(0.6)
Issued in conjunction with EDS Incentive Plans (Note 4) and other employe stock plans (4,690,629 shares in 1990, 1,766,110 in 1989, and 895,410 in 1988)	0.4	0.2	0.1
Two-for-one stock split in the form of a 100% stock dividend (48,904,250 shares)	4.9	—	—
Issued at end of the year (100,220,967 shares in 1990, 48,830,764 in 1989, and 50,646,603 in 1988)	10.0	4.9	5.1
Class H Common Stock, $0.10 par value (authorized, 600,000,000 shares)			
Issued at beginning of the year (35,162,664 shares in 1990, 128,388,969 in 1989, and 65,434,936 in 1988)	3.5	12.8	6.5
Issued (reacquired) in conjunction with GMHE Incentive Plans (Note 5) and other employe stock plans ((1,966) shares in 1990, 57,180 in 1989, and 2,052,212 in 1988)	—	—	0.2
Two-for-one stock split in the form of a 100% stock dividend (65,653,841 shares)	—	—	6.6
Reacquired on the open market (710,300 shares in 1990, 3,283,485 in 1989, and 4,752,020 in 1988)	—	(0.3)	(0.5)
Purchased from the Howard Hughes Medical Institute (35,000,000 shares)	—	(3.5)	—
Reclassification of shares subject to repurchase from the Institute (55,000,000 shares)	—	(5.5)	—
Issued at end of the year (34,450,398 shares in 1990, 35,162,664 in 1989, and 128,388,969 in 1988)	3.5	3.5	12.8
Total capital stock at end of the year	$1,258.2	$1,254.3	$765.0

(continued)

NOTE 17. *(continued)*

(Dollars in Millions Except Per Share Amounts)	1990	1989	1988
Capital Surplus (principally additional paid-in capital)			
Balance at beginning of the year	$ 2,614.0	$ 6,235.2	$ 6,764.6
Preference stock			
Redemption price in excess of par value of Series H-I shares redeemed	(175.0)	—	—
Accumulation of redemption value of Series H preference stock	105.8	—	—
Reclassification of Series H-II and H-III shares subject to redemption	(453.4)	—	—
$1-2/3 par value common stock			
Repurchase price in excess of par value of shares reacquired on the open market	(152.7)	(410.0)	(484.5)
Amounts in excess of par value of shares used for the GM Incentive Program and other employe stock plans	118.5	93.4	36.7
Amount transferred to $1-2/3 par value common stock—100% stock dividend	—	(511.6)	—
Class E common stock			
Repurchase price in excess of par value of shares reacquired on the open market	(74.2)	(161.9)	(199.7)
Amounts in excess of par value			
Issued in connection with acquisitions	—	—	165.0
Issued in conjunction with EDS Incentive Plans and other employe stock plans	186.3	74.5	32.0
Amount transferred to Class E common stock—100% stock dividend	(4.9)	—	—
Class H common stock			
Repurchase price in excess of par value			
Shares reacquired on the open market	(14.8)	(90.7)	(134.4)
Shares purchased from the Howard Hughes Medical Institute	—	(971.9)	—
Reclassification of shares subject to repurchase from the Institute	—	(1,644.5)	—
Amounts in excess of par value of shares issued in conjunction with GMHE Incentive Plans, other employe stock plans, and other adjustments	58.6	1.5	62.1
Amount transferred to Class H common stock—100% stock dividend	—	—	(6.6)
Balance at end of the year	2,208.2	2,614.0	6,235.2
Net Income Retained for Use in the Business			
Balance at beginning of the year	31,230.7	28,970.5	25,771.7
Net income (loss)	(1,985.7)	4,224.3	4,856.3
Total	29,245.0	33,194.8	30,628.0
Cash dividends			
Preferred stock, $5.00 series, $5.00 per share	7.7	7.7	7.7
Preferred stock, $3.75 series, $3.75 per share	3.0	3.0	3.0
Preference stock, E-I series, $1.56 per share in 1990, $0.96 in 1989, and $0.68 in 1988	5.1	3.1	2.2
Preference stock, E-II and E-III series, $1.12 per share in 1990, $0.96 in 1989, and $0.68 in 1988	7.3	6.3	4.5
Preference stock, H series, $1.44 per share in 1990 and 1989 and $0.88 in 1988	12.9	14.1	8.6
$1-2/3 par value common stock, $3.00 per share in 1990 and 1989 and $2.50 in 1988	1,804.7	1,813.2	1,540.5
Class E common stock, $0.56 per share in 1990, $0.48 in 1989, and $0.34 in 1988	52.4	45.6	34.8
Class H common stock, $0.72 per share in 1990 and 1989 and $0.44 in 1988	63.4	71.1	56.2
Total cash dividends	1,956.5	1,964.1	1,657.5
Less accumulation of redemption value of Series H preference stock	139.9	—	—
Balance at end of the year	$27,148.6	$31,230.7	$28,970.5

(continued)

NOTE 17. *(concluded)*

(Dollars in Millions Except Per Share Amounts)	1990	1989	1988
Minimum Pension Liability Adjustment (Note 6)	($ 1,004.7)	$ —	$ —
Accumulated Foreign Currency Translation and Other Adjustments			
Balance at beginning of the year			
Accumulated foreign currency translation adjustments	(355.5)	(459.9)	(231.7)
Net unrealized gains on marketable equity securities	239.0	160.9	151.3
Changes during the year			
Accumulated foreign currency translation adjustments	585.7	104.4	(228.2)
Net unrealized gains (losses) on marketable equity securities	(32.1)	78.1	9.6
Balance at end of the year	437.1	(116.5)	(299.0)
Total Stockholders' Equity	$30,047.4	$34,982.5	$35,671.7

NOTE 18. Segment Reporting

Industry Segments

While the major portion of the Corporation's operations is derived from the automotive products industry segment, GM also has financing and insurance operations and produces products and provides services in other industry segments. The automotive products segment consists of the design, manufacture, assembly, and sale of automobiles, trucks, and related parts and accessories. The financing and insurance operations assist in the merchandising of General Motors' products as well as other products. GMAC and its subsidiaries, as well as certain other subsidiaries of GM, offer financial services and certain types of insurance to dealers and customers. In addition, subsidiaries of GMAC are engaged in mortgage banking, marine financing, and investment services. The other products segment consists of military vehicles, radar and weapon control systems, guided missile systems, and defense satellites; the design, installation, and operation of business information and telecommunication systems; as well as the design, development, and manufacture of locomotives; turboshaft and turboprop engines for military and commercial aerospace usage; compressor, generator, and marine gas turbine engine applications; commercial satellites; and specialized automated production and test equipment. Because of the high degree of integration, substantial interdivisional and intersegment transfers of materials and services are made. Intersegment sales and revenues are made at negotiated selling prices.

Substantially all of the products in the automotive segment are marketed through retail dealers and through distributors and jobbers in the United States and Canada and through distributors and dealers overseas.

Information concerning operations by industry segment is displayed below and on the next page.

1990	Automotive Products	Financing & Insurance Operations	Other Products	Total
		(Dollars in Millions)		
Net Sales and Revenues				
Outside	$96,905.7	$11,812.3	$13,302.8	$122,020.8
Intersegment	406.3	—	286.1	—
Total	$97,312.0	$11,812.3	$13,588.9	$122,020.8*
Operating Profit (Loss)	($ 3,445.5)**	N/A***	$ 1,016.8	($ 2,428.7)***
Identifiable Assets at Year-End	$69,264.0	$92,965.7	$18,101.7	$180,331.4
Depreciation and Amortization	$ 4,595.5	$ 1,501.6	$ 1,264.5	$ 7,361.6
Capital Expenditures	$ 6,057.6	$ 146.3	$ 1,384.1	$ 7,588.0
1989				
Net Sales and Revenues				
Outside	$99,106.1	$11,254.0	$12,851.7	$123,211.8
Intersegment	334.8	—	3,014.7	—
Total	$99,440.9	$11,254.0	$15,866.4	$123,211.8*
Operating Profit	$ 5,131.1	N/A***	$ 579.9	$ 5,711.0***
Identifiable Assets at Year-End	$64,598.0	$89,851.8	$16,782.2	$171,232.0
Depreciation and Amortization	$ 4,206.2	$ 1,583.5	$ 1,378.5	$ 7,168.2
Capital Expenditures	$ 6,287.6	$ 127.2	$ 1,090.3	$ 7,505.1

*After elimination of intersegment transactions.
**Includes a special provision for scheduled plant closings and other restructurings of $3,314.0 million.
***Excludes Financing & Insurance Operations as they do not report Operating Profit.

(continued)

NOTE 18. *(continued)*

1988	Automotive Products	Financing & Insurance Operations	Other Products	Total
		(Dollars in Millions)		
Net Sales and Revenues				
Outside	$97,437.5	$10,664.9	$12,285.3	$120,387.7
Intersegment	339.6	3.0	2,866.6	—
Total	$97,777.1	$10,667.9	$15,151.9	$120,387.7*
Operating Profit	$ 5,614.5	N/A***	$ 175.7	$ 5,790.2***
Identifiable Assets at Year-End	$60,420.4	$84,444.8	$16,553.1	$161,418.3
Depreciation and Amortization	$ 4,050.6	$ 1,585.5	$ 1,444.9	$ 7,081.0
Capital Expenditures	$ 4,524.6	$ 127.4	$ 974.5	$ 5,626.5

*After elimination of intersegment transactions.
***Excludes Financing & Insurance Operations as they do not report Operating Profit.

A reconciliation of outside net sales and revenues to Total Net Sales and Revenues and of operating profit (loss) to Income (Loss) before Income Taxes detailed in the Statement of Consolidated Income and a reconciliation of identifiable assets to Total Assets displayed in the Consolidated Balance Sheet follow:

(Dollars in Millions)	1990	1989	1988
Outside Net Sales and Revenues reported on the previous page and above	$122,020.8	$123,211.8	$120,387.7
Other Income	2,684.3	3,720.1	3,253.9
Total Net Sales and Revenues	$124,705.1	$126,931.9	$123,641.6
Total Operating Profit (Loss) reported on the previous page and above	($ 2,428.7)	$ 5,711.0	$ 5,790.2
Financing and Insurance Operations	1,848.4	1,551.7	1,802.8
Other Corporate Income and Expenses Less Intersegment Transactions	(1,636.8)	(864.4)	(858.1)
Income (Loss) before Income Taxes	($ 2,217.1)	$ 6,398.3	$ 6,734.9
Identifiable Assets	$180,331.4	$171,232.0	$161,418.3
Corporate Assets	4,248.7	5,445.2	6,512.5
Eliminations	(4,343.6)	(3,380.1)	(3,867.7)
Total Assets	$180,236.5	$173,297.1	$164,063.1

Geographic Segments

Net sales and revenues, net income (loss), total and net assets, and average number of employes in the U.S. and in locations outside the U.S. are summarized below and on the next page. Net income (loss) is after provisions for deferred income taxes applicable to that portion of the undistributed earnings not deemed to be indefinitely invested, less available tax credits and deductions, and appropriate consolidating adjustments. Interarea sales and revenues are made at negotiated selling prices.

1990	United States	Canada	Europe	Latin America	All Other	Total*
			(Dollars in Millions)			
Net Sales and Revenues						
Outside (excluding GMAC)	$ 76,459.3	$ 5,713.0	$22,146.8	$3,871.7	$2,606.5	$110,797.3
GMAC and related operations	8,236.9	1,085.2	1,538.1	87.1	276.2	11,223.5
Other income	2,271.1	25.6	237.4	87.9	62.3	2,684.3
Subtotal outside	86,967.3	6,823.8	23,922.3	4,046.7	2,945.0	124,705.1
Interarea	10,315.9	10,166.2	520.4	1,314.2	139.1	—
Total	$ 97,283.2	$16,990.0	$24,442.7	$5,360.9	$3,084.1	$124,705.1
Net Income (Loss)	($ 4,570.1)**	$ 169.3	$ 1,914.6	$ 244.8	$ 255.9	($ 1,985.7)
Total Assets	$132,805.1	$13,044.2	$31,026.2	$4,702.2	$3,848.1	$180,236.5
Net Assets	$ 11,952.6	$ 3,026.2	$10,328.7	$3,219.5	$1,597.5	$ 30,047.4
Average Number of Employes (in thousands)	508	37	124	79	13	761

*After elimination of interarea transactions.
**Includes a special provision for scheduled plant closings and other restructurings of $2,087.8 million.

(continued)

NOTE 18. *(concluded)*

1989	United States	Canada	Europe	Latin America	All Other	Total*
			(Dollars in Millions)			
Net Sales and Revenues						
Outside (excluding GMAC)	$ 81,650.7	$ 6,903.5	$17,850.3	$3,507.2	$2,621.5	$112,533.2
GMAC and related operations	8,405.3	883.1	1,080.5	87.8	221.9	10,678.6
Other income	3,107.6	34.8	414.1	120.3	43.3	3,720.1
Subtotal outside	93,163.6	7,821.4	19,344.9	3,715.3	2,886.7	126,931.9
Interarea	10,185.1	9,825.3	395.1	1,293.2	128.5	—
Total	$103,348.7	$17,646.7	$19,740.0	$5,008.5	$3,015.2	$126,931.9
Net Income	$ 1,279.0	$ 288.5	$ 1,830.0	$ 488.4	$ 345.3	$ 4,224.3
Total Assets	$131,595.8	$13,187.4	$21,782.6	$4,589.3	$4,016.4	$173,297.1
Net Assets	$ 21,264.0	$ 3,025.7	$ 5,956.2	$3,352.9	$1,483.0	$ 34,982.5
Average Number of Employes (in thousands)	531	42	118	71	13	775
1988						
Net Sales and Revenues						
Outside (excluding GMAC)	$ 82,434.9	$ 6,534.8	$16,283.9	$2,433.4	$2,035.8	$109,722.8
GMAC and related operations	8,825.0	673.0	913.9	85.0	168.0	10,664.9
Other income	2,618.5	52.7	161.2	345.4	76.1	3,253.9
Subtotal outside	93,878.4	7,260.5	17,359.0	2,863.8	2,279.9	123,641.6
Interarea	9,392.2	9,195.9	415.3	1,407.6	43.4	—
Total	$103,270.6	$16,456.4	$17,774.3	$4,271.4	$2,323.3	$123,641.6
Net Income	$ 1,813.2	$ 387.2	$ 1,781.4	$ 539.6	$ 300.6	$ 4,856.3
Total Assets	$130,797.5	$11,054.7	$15,699.2	$4,278.9	$3,390.7	$164,063.1
Net Assets	$ 25,858.2	$ 2,849.0	$ 2,836.8	$2,929.8	$1,290.5	$ 35,671.7
Average Number of Employes (in thousands)	538	39	112	62	15	766

*After elimination of interarea transactions.

NOTE 19. Financial Instruments With Off-Balance-Sheet Risk

The Corporation is a party to financial instruments with off-balance-sheet risk in the normal course of business to reduce its exposure to fluctuations in interest and foreign exchange rates and to meet the financing needs of its customers. The financial instruments include commitments to extend credit, forward exchange and interest rate forward contracts (e.g., swap agreements), and options. Those instruments involve, to varying degrees, elements of credit, interest rate, and exchange risk in excess of the amount recognized in the Consolidated Balance Sheet. The contract or notional amounts of those instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments.

Foreign Exchange Forward Contracts

Foreign exchange forward contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. The Corporation uses such contracts to hedge risk of changes in foreign currency exchange rates associated with certain assets and obligations denominated in foreign currency. At December 31, 1990, the Corporation held contracts of approximately $14,227 million.

Foreign Exchange Options

To hedge its foreign currency exposure, the Corporation also purchases foreign exchange options which permit but do not require the Corporation to exchange foreign currencies at a future date with another party at a contracted exchange rate. To cover premiums paid on such options, from time to time the Corporation may also write offsetting options at exercise prices which limit but do not eliminate the purchased options and forward contracts effect as a hedge. At December 31, 1990, the Corporation had purchased and written foreign exchange options of approximately $4,174 million.

(continued)

NOTE 19. *(concluded)*

Interest Rate and Mortgage Contracts

The Corporation primarily utilizes interest rate forward contracts or options to manage its interest rate exposure. Interest rate forward contracts are contractual agreements between the Corporation and another party to exchange fixed and floating interest rate payments periodically over the life of the agreements without the exchange of underlying principal amounts. Interest rate options generally permit but do not require the purchaser of the option to exchange interest payments in the future. At December 31, 1990, the total notional amount of such agreements with off-balance-sheet risk was approximately $7,787 million.

The Corporation has also entered contracts to purchase and sell mortgages or mortgage-backed securities at specific future dates. Such delivery and purchase contracts totaled approximately $1,773 million and $373 million, respectively, at December 31, 1990.

Unused Lines of Credit

The Corporation grants revolving lines of credit to dealers; unused amounts under these lines were $533.1 million at December 31, 1990. Commitments supported by collateral, generally dealer inventories and real estate, were approximately 28% of the total commitments at December 31, 1990. Since many of the commitments are expected to expire without use, total committed amounts do not necessarily represent the Corporation's future liquidity requirements.

Credit Risk

The forward contracts, options, and lines of credit previously discussed contain an element of risk that the counterparties may be unable to meet the terms of the agreements. However, the Corporation minimizes such risk exposure for forward contracts and options by limiting the counterparties to major international banks and financial institutions. Management also reduces its credit risk for unused lines of credit by applying the same credit policies in making commitments as it does for extending loans. Management does not expect to record any losses as a result of counterparty default. The Corporation does not require or place collateral for these financial instruments, except for the lines of credit.

General Motors has business activities with customers, dealers, and associates around the world and its receivables from and guarantees to such parties are well diversified and, in many cases, secured by collateral. Consequently, in management's opinion, no significant concentration of credit risk exists for the Corporation.

NOTE 20. Commitments and Contingent Liabilities

Minimum future commitments under operating leases having noncancellable lease terms in excess of one year, primarily for real property, aggregating $4,114.1 million, are payable $742.9 million in 1991, $534.9 million in 1992, $389.6 million in 1993, $317.3 million in 1994, $250.6 million in 1995, and $1,878.8 million in 1996 and thereafter. Certain of the leases contain escalation clauses and renewal or purchase options. Rental expenses under operating leases were $1,010.6 million in 1990, $988.2 million in 1989, and $879.6 million in 1988.

The Corporation and its subsidiaries are subject to potential liability under government regulations and various claims and legal actions which are pending or may be asserted against them. Some of the pending actions purport to be class actions. The aggregate ultimate liability of the Corporation and its subsidiaries under these government regulations, and under these claims and actions, was not determinable at December 31, 1990. In the opinion of management, such liability is not expected to have a material adverse effect on the Corporation's consolidated financial position.

SUPPLEMENTARY INFORMATION

SELECTED QUARTERLY DATA

(Dollars in Millions Except Per Share Amounts)	1990 Quarters 1st	2nd	3rd	4th	1989 Quarters 1st	2nd	3rd	4th
Net sales and revenues	$30,112.8	$33,943.9	$30,772.7	$29,875.7	$33,238.5	$33,536.3	$28,793.1	$31,364.0
Income (Loss) before income taxes	$ 1,196.1	$ 1,606.8	($ 2,927.6)*	($ 2,092.4)	$ 2,443.1	$ 2,356.3	$ 763.3	$ 835.6
United States, foreign, and other income taxes (credit)	486.1	706.7	(948.8)	(475.4)	890.1	902.1	246.4	135.4
Net income (loss)	710.0	900.1	(1,978.8)	(1,617.0)	1,553.0	1,454.2	516.9	700.2
Dividends and accumulation of redemption value on preferred and preference stocks	8.9	9.0	8.9	11.4	8.6	8.5	8.6	8.5
Earnings (Loss) on common stocks	$ 701.1	$ 891.1	($ 1,987.7)	($ 1,628.4)	$ 1,544.4	$ 1,445.7	$ 508.3	$ 691.7
Earnings (Loss) attributable to common stocks								
$1-2/3 par value	$ 618.5	$ 800.5	($ 2,073.0)	($ 1,724.3)	$ 1,443.5	$ 1,350.2	$ 432.1	$ 605.2
Class E	$ 42.3	$ 48.9	$ 50.5	$ 52.7	$ 40.6	$ 41.4	$ 43.2	$ 45.8
Class H	$ 40.3	$ 41.7	$ 34.8	$ 43.2	$ 60.3	$ 54.1	$ 33.0	$ 40.7
Average number of shares of common stocks outstanding (in millions)								
$1-2/3 par value	602.5	601.5	600.7	601.2	608.9	604.5	602.5	601.5
Class E	92.0	93.5	94.0	94.6	98.9	94.8	93.1	91.4
Class H	88.5	87.8	88.0	88.2	114.8	90.0	89.5	88.9
Earnings (Loss) per share attributable to common stocks								
$1-2/3 par value(a)	$1.02	$1.32	($3.54)	($2.89)	$2.37	$2.23	$0.72	$1.01
Class E	$0.46	$0.52	$0.54	$0.56	$0.41	$0.44	$0.46	$0.50
Class H	$0.46	$0.47	$0.40	$0.49	$0.51	$0.60	$0.37	$0.46
Cash dividends per share of common stocks								
$1-2/3 par value	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75
Class E	$0.14	$0.14	$0.14	$0.14	$0.12	$0.12	$0.12	$0.12
Class H	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18
Common stock price range								
$1-2/3 par value(b)								
High	$48.00	$50.50	$50.13	$40.13	$47.31	$43.50	$50.50	$48.88
Low	$40.38	$43.75	$35.38	$33.13	$40.88	$39.13	$40.00	$40.63
Class E(c)								
High	$31.38	$36.88	$37.63	$40.13	$23.38	$26.94	$27.94	$28.81
Low	$24.38	$28.00	$27.88	$31.25	$21.25	$22.13	$25.31	$26.06
Class H(c)								
High	$25.63	$23.63	$21.63	$20.25	$28.50	$28.13	$32.13	$30.50
Low	$21.00	$20.63	$17.00	$17.13	$23.50	$25.75	$28.00	$24.13

*Includes a special restructuring charge of $3,314.0 million.

The effective income tax rates for the 1990 quarters reflect the lack of any significant loss carryforwards at certain overseas operations, as well as the mix of foreign earnings which are taxed at generally higher tax rates coupled with the U.S. loss.

The effective income tax rates for the 1989 quarters reflect the accrual of taxes on planned dividend remittances from foreign subsidiaries and the continuing amortization of investment tax credits earned in prior years and include the tax benefits related to the utilization of loss carryforwards at certain overseas operations. In addition, the effective income tax rate for the 1989 fourth quarter reflects increased utilization of research and experimentation credits and favorable state and local tax returns as filed adjustments.

(a) Includes favorable effect on 1990 earnings per share of revisions to pension plan actuarial assumptions of $0.12 each quarter.

(b) The principal market is the New York Stock Exchange and prices are based on the Composite Tape. $1-2/3 par value common stock is also listed on the Midwest, Pacific, and Philadelphia stock exchanges. As of December 31, 1990, there were 915,639 holders of record of $1-2/3 par value common stock.

(c) The principal market is the New York Stock Exchange and prices are based on the Composite Tape. As of December 31, 1990, there were 427,153 holders of record of Class E common stock and 497,090 holders of record of Class H common stock.

SELECTED FINANCIAL DATA

(Dollars in Millions Except Per Share Amounts)	1990	1989	1988	1987	1986
Net sales and revenues	$124,705.1	$126,931.9	$123,641.6	$114,870.4	$115,609.9
Earnings (Loss) attributable to $1-2/3 par value common stock	($ 2,378.3)	$ 3,831.0	$ 4,413.1	$ 3,178.9	$ 2,607.7
Cash dividends on $1-2/3 par value common stock	1,804.7	1,813.2	1,540.5	1,579.6	1,588.0
Dividend of Class H common shares	—	—	—	—	(0.5)
Net income (loss) retained in the year	($ 4,183.0)	$ 2,017.8	$ 2,872.6	$ 1,599.3	$ 1,020.2
Earnings (Loss) per share attributable to $1-2/3 par value common stock	($4.09)	$6.33	$7.17*	$5.03*	$4.11*
Cash dividends per share of $1-2/3 par value common stock	3.00	3.00	2.50*	2.50*	2.50*
Net income (loss) per share retained in the year	($7.09)	$3.33	$4.67*	$2.53*	$1.61*
Earnings attributable to Class E common stock	$ 194.4	$ 171.0	$ 160.3	$ 139.1	$ 136.2
Cash dividends on Class E common stock	52.4	45.6	34.8	27.4	25.9
Net income retained in the year	$ 142.0	$ 125.4	$ 125.5	$ 111.7	$ 110.3
Earnings per share attributable to Class E common stock	$2.08	$1.81**	$1.57**	$1.33**	$1.07**
Cash dividends per share of Class E common stock	0.56	0.48**	0.34**	0.26**	0.20**
Net income per share retained in the year	$1.52	$1.33**	$1.23**	$1.07**	$0.87**
Earnings attributable to Class H common stock	$ 160.0	$ 188.1	$ 256.9	$ 219.2	$ 190.0
Cash dividends on Class H common stock	63.4	71.1	56.2	47.2	38.4
Net income retained in the year	$ 96.6	$ 117.0	$ 200.7	$ 172.0	$ 151.6
Earnings per share attributable to Class H common stock	$1.82	$1.94	$2.01	$1.67***	$1.48***
Cash dividends per share of Class H common stock	0.72	0.72	0.44	0.36***	0.30***
Net income per share retained in the year	$1.10	$1.22	$1.57	$1.31***	$1.18***
Average number of shares of common stocks outstanding (in millions)					
$1-2/3 par value	601.5	604.3	615.7*	631.5*	635.3*
Class E	93.5	94.5**	101.8**	105.2**	127.5**
Class H	88.1	95.7	127.9	130.8***	127.8***
Cash dividends on capital stocks as a percent of net income	N.A.	46.5%	34.1%	47.0%	56.5%
Expenditures for real estate, plants, and equipment	$ 4,432.5	$ 4,577.3	$ 3,432.1	$ 4,804.4	$ 8,159.5
Expenditures for special tools	$ 3,155.5	$ 2,927.8	$ 2,194.4	$ 2,346.2	$ 3,625.3
Cash and marketable securities	$ 7,821.4	$ 10,213.3	$ 10,181.4	$ 7,819.3	$ 7,359.7
Working capital (with GMAC on an equity basis)	$ 10,815.1	$ 17,229.8	$ 17,728.9	$ 13,049.7	$ 3,920.3
Total assets	$180,236.5	$173,297.1	$164,063.1	$162,343.2	$150,157.1
Long-term debt and capitalized leases (with GMAC on an equity basis)	$ 4,923.8	$ 4,565.7	$ 4,535.7	$ 4,313.4	$ 4,325.3

Effective January 1, 1988, accounting procedures were changed to include in inventory certain manufacturing overhead costs previously charged directly to expense. The effect of this change on 1988 earnings was a favorable adjustment of $218.1 million or $0.35 per share of $1-2/3 par value common stock and $6.1 million or $0.05 per share of Class H common stock. The revision in 1987 of estimated service lives of plants and equipment and special tools had the effect of reducing 1987 depreciation and amortization charges by $1,236.6 million or $1.28 per share of $1-2/3 par value common stock. The revision in 1987 by GMAC of rates of depreciation for automobiles on operating leases to retail customers had the effect of reducing 1987 depreciation charges by $424.5 million or $0.41 per share of $1-2/3 par value common stock. Financial data for years prior to 1986 have not been restated for the adoption effective January 1, 1986 of SFAS No. 87, Employers' Accounting for Pensions. The effect of adopting SFAS No. 87 was to increase net income for 1986 by $330.5 million or $0.48 per share of $1-2/3 par value common stock, $0.02 per share of Class E common stock, and $0.17 per share of Class H common stock.

*Adjusted to reflect the two-for-one stock split in the form of a 100% stock dividend distributed on March 31, 1989.

**Adjusted to reflect the two-for-one stock split in the form of a 100% stock dividend distributed on March 10, 1990.

***Adjusted to reflect the two-for-one stock split in the form of a 100% stock dividend distributed on March 10, 1988.

(continued)

SELECTED FINANCIAL DATA *(concluded)*

(Dollars in Millions Except Per Share Amounts)	1985	1984	1983	1982	1981
Net sales and revenues	$106,655.8	$93,144.8	$82,502.3	$67,747.7	$69,191.4
Earnings attributable to $1-2/3 par value common stock	$ 3,883.6	$ 4,498.3	$ 3,717.3	$ 949.8	$ 320.5
Cash dividends on $1-2/3 par value common stock	1,592.9	1,510.0	879.3	737.3	717.6
Dividend of Class E common shares	—	586.7	—	—	—
Dividend of Class H common shares	572.1	—	—	—	—
Net income (loss) retained in the year	$ 1,718.6	$ 2,401.6	$ 2,838.0	$ 212.5	($ 397.1)
Earnings per share attributable to $1-2/3 par value common stock*	$6.14	$7.14	$5.92	$1.55	$0.53
Cash dividends per share of $1-2/3 par value common stock*	2.50	2.38	1.40	1.20	1.20
Per share dividend of Class E common shares*	—	0.95	—	—	—
Per share dividend of Class H common shares*	0.97	—	—	—	—
Net income (loss) per share retained in the year*	$2.67	$3.81	$4.52	$0.35	($0.67)
Earnings attributable to Class E common stock (issued in 1984)	$ 103.8	$ 5.7	—	—	—
Cash dividends on Class E common stock	12.4	1.2	—	—	—
Net income retained in the year	$ 91.4	$ 4.5	—	—	—
Earnings per share attributable to Class E common stock**	$0.79	$0.08	—	—	—
Cash dividends per share of Class E common stock**	0.10	0.0225	—	—	—
Net income per share retained in the year**	$0.69	$0.0575	—	—	—
Earnings attributable to Class H common stock (issued in December 1985)	—	—	—	—	—
Cash dividends on Class H common stock	—	—	—	—	—
Net income retained in the year	—	—	—	—	—
Earnings per share attributable to Class H common stock	—	—	—	—	—
Cash dividends per share of Class H common stock	—	—	—	—	—
Net income per share retained in the year	—	—	—	—	—
Average number of shares of common stocks outstanding (in millions)					
$1-2/3 par value*	632.6	630.7	627.8	614.8	598.1
Class E (issued in 1984)**	133.1	72.6	—	—	—
Class H (issued in December 1985)	—	—	—	—	—
Cash dividends on capital stocks as a percent of net income	40.4%	33.7%	23.9%	77.9%	219.1%
Expenditures for real estate, plants, and equipment	$ 8,068.3***	$ 3,610.1	$ 1,932.2	$ 3,619.8	$ 6,568.5
Expenditures for special tools	$ 3,075.0	$ 2,452.1	$ 2,083.7	$ 2,601.1	$ 3,178.1
Cash and marketable securities	$ 7,924.9	$10,688.3	$ 8,237.4	$ 4,815.4	$ 3,038.2
Working capital (with GMAC on an equity basis)	$ 1,957.5	$ 6,276.7	$ 5,890.8	$ 1,658.1	$ 1,158.8
Total assets	$130,043.5	$98,414.9	$89,458.0	$81,197.3	$76,798.8
Long-term debt and capitalized leases (with GMAC on an equity basis)	$ 2,867.2	$ 2,772.9	$ 3,521.8	$ 4,745.1	$ 4,044.0

Earnings and earnings per share attributable to common stocks in 1984 have been restated to reflect the Class E common stock amendment approved by the stockholders in December 1985. Data for years prior to 1983 have not been restated for the adoption of SFAS No. 52, Foreign Currency Translation. The effect of adopting SFAS No. 52 was to reduce net income for 1983 by about $422.5 million or $0.68 per share of $1-2/3 par value common stock.

*Adjusted to reflect the two-for-one stock split in the form of a 100% stock dividend distributed on March 31, 1989.

**Adjusted to reflect the two-for-one stock splits in the form of 100% stock dividends distributed on June 10, 1985 and March 10, 1990.

***Includes $1,948.7 million of net property acquired in the Hughes acquisition.

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OFFICERS

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Chairman and Chief Executive Officer

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President North American Operations and Worldwide Automotive Components

Robert J. Schultz
Vice Chairman Electronic Data Systems, GM Hughes Electronics, and GM Technical Staffs Group

John F. Smith, Jr.
Vice Chairman International Operations

Executive Vice Presidents

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Automotive Components Group, Power Products and Defense Operations Group, Service Parts Operations

Robert T. O'Connell
Finance Group, GMAC, and Chief Financial Officer

F. Alan Smith
Operating Staffs and Public Affairs and Marketing Groups

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Buick, Oldsmobile, Cadillac Group

Edward P. Czapor
Quality and Reliability

Gary W. Dickinson
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Charles Katko*
Operating Staffs Group

Leon J. Krain**
Finance Group

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Clifford J. Vaughan
Truck and Bus Group

Marina v.N. Whitman
Public Affairs and Marketing Group

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Environmental Activities Staff

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Chief Investment Funds Officer

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David D. Campbell
Group Director—Operations Chevrolet, Pontiac, GM of Canada Group

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Manager Flint Automotive Division Buick, Oldsmobile, Cadillac Group

Patrick J. Coletta***
Group Director Truck and Bus Operations

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General Manager GM Powertrain Division

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President General Motors Europe

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Communications and Marketing Staff

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Personnel Administration and Development Staff

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J. Michael Losh
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Asian and Pacific Operations

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General Manager Buick Motor Division

John G. Middlebrook
General Manager Pontiac Motor Division

Claude N. Moore
Customer Sales and Service Staff

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Group Director—Engineering Chevrolet, Pontiac, GM of Canada Group

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Industrial Relations Staff

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Materials Management Staff

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President and General Manager General Motors of Canada Limited

Harry J. Pearce
General Counsel

Jim C. Perkins
General Manager Chevrolet Motor Division

John E. Rhame
International Export, African, and Mideast Operations

Donald L. Runkle
Advanced Engineering Staff

Robert B. Stone
Latin American Operations and Managing Director General Motors do Brasil Ltda.

F. Blake Wallace
General Manager Allison Gas Turbine Division

Alfred S. Warren, Jr.
Strategic Labor Issues

Shirley Young
Consumer Market Development

Staff Officers

Charles E. Golden
Treasurer

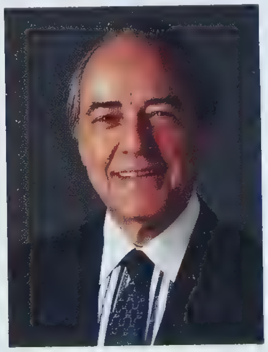
John E. Mischi
Comptroller

David A. Collins
Secretary

*Retired effective February 1, 1991.
**Effective February 4, 1991.
***Retired effective January 1, 1991.
#Effective January 1, 1991.
##Effective January 7, 1991.

BOARD OF DIRECTORS

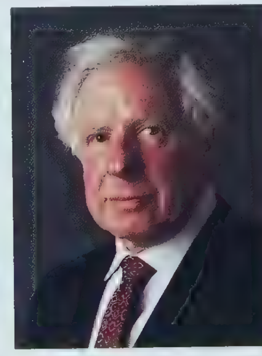
Anne L. Armstrong
Chairman, Board of Trustees, Center for Strategic and International Studies
Director—14 Years



James H. Evans
Retired Chairman of the Board, Union Pacific Corporation
Director—11 Years

Thomas E. Everhart
President, California Institute of Technology
Director—2 Years

Charles T. Fisher, III
Chairman and President, NBD Bancorp Inc.
Director—19 Years



Marvin L. Goldberger
Director, The Institute for Advanced Study, Princeton, N.J.
Director—10 Years

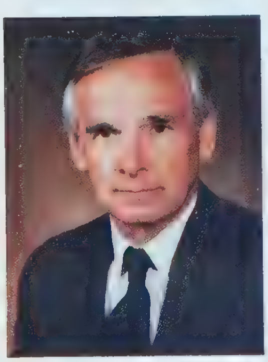
J. Willard Marriott, Jr.
Chairman, President, and Chief Executive Officer, Marriott Corporation
Director—1 Year

Ann D. McLaughlin
Visiting Fellow, The Urban Institute, Washington, D.C.; Former U.S. Secretary of Labor
Director—1 Year

Edmund T. Pratt, Jr.
Chairman of the Board, Pfizer Inc.
Director—14 Years

Lloyd E. Reuss
President
Service—33 Years
Director—5 Years

Robert J. Schultz
Vice Chairman, Board of Directors and Chairman, GM Hughes Electronics Corporation
Service—36 Years
Joined Board August 1990



F. Alan Smith
Executive Vice President, Operating Staffs and Public Affairs and Marketing Groups
Service—35 Years
Director—10 Years

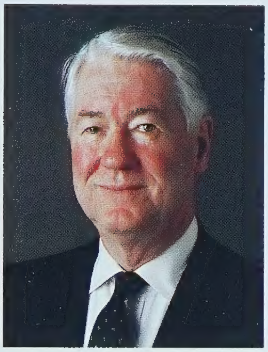
John F. Smith, Jr.
Vice Chairman, Board of Directors
Service—30 Years
Joined Board August 1990

Roger B. Smith
Former Chairman, Board of Directors
Director—16 Years

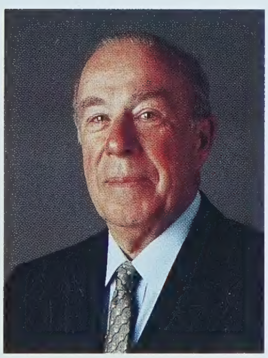
Robert C. Stempel
Chairman, Board of Directors and Chief Executive Officer
Service—33 Years
Director—5 Years

Leon H. Sullivan
Pastor Emeritus, Zion Baptist Church of Philadelphia
Director—20 Years

COMMITTEES

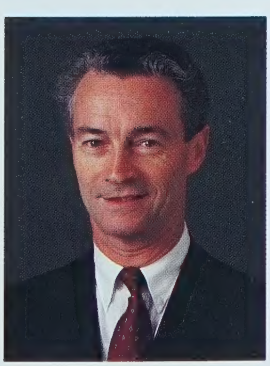


John J. Horan
Former Chairman of the Board, Merck & Co., Inc.
Director—11 Years

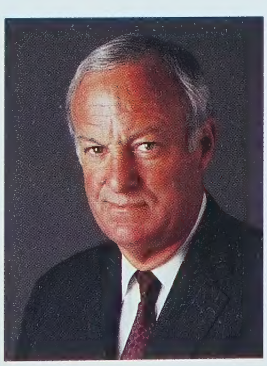


George P. Shultz*
Professor of International Economics, Graduate School of Business, Stanford University; Former U.S. Secretary of State
Director—3 Years

John G. Smale
Chairman, Executive Committee of the Board of Directors, The Procter & Gamble Company
Director—9 Years



Dennis Weatherstone
Chairman, J. P. Morgan & Co. Incorporated
Director—5 Years



Thomas H. Wyman
Former Chairman of the Board, CBS Inc.
Director—6 Years

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Chairman

Anne L. Armstrong
James H. Evans
Charles T. Fisher, III
John J. Horan
Edmund T. Pratt, Jr.

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Chairman

James H. Evans
Charles T. Fisher, III
Edmund T. Pratt, Jr.
Lloyd E. Reuss
Robert J. Schultz
George P. Shultz
John G. Smale
John F. Smith, Jr.
Roger B. Smith
Dennis Weatherstone

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James H. Evans
Charles T. Fisher, III
John J. Horan
George P. Shultz

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John G. Smale
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J. Willard Marriott, Jr.
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Leon H. Sullivan
Thomas H. Wyman

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Chairman

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John J. Horan
Dennis Weatherstone
Thomas H. Wyman

The Management Committee

Robert C. Stempel
Chairman

William E. Hoglund
Robert T. O'Connell
Lloyd E. Reuss
Robert J. Schultz
F. Alan Smith
John F. Smith, Jr.

*Joined Board in 1981; resigned in 1982 to serve as U.S. Secretary of State; rejoined Board in March 1989.

Common Stock Symbols

- $1-2/3 par value
  Stock Symbol: GM
- Class E
  Stock Symbol: GME
- Class H
  Stock Symbol: GMH

Annual Meeting

The Annual Meeting of Stockholders will be held at 9:00 a.m. on Friday, May 24, 1991 in Nashville, Tennessee.

Notice of the Annual Meeting, the Proxy Statement, and proxy will be mailed to stockholders.

Principal Offices

General Motors Corporation
(a Delaware corporation)
3044 West Grand Boulevard
Detroit, Michigan 48202

General Motors Corporation
767 Fifth Avenue
New York, New York 10153

Stock Transfer Offices

First Chicago Trust Company
of New York
P.O. Box 3983
Church Street Station
New York,
New York 10008-3983

(212) 791-3909

(212) 571-0022 (for the hearing impaired with access to TDD screen)

- Stock transfer
- Account information
- Change of address
- Dividend checks
- Dividend Reinvestment Plan

National Trust Company
Limited
21 King Street East
Toronto, Ontario M5C 1B3,
Canada

National Trust Company
Limited
1350 Sherbrooke Street, West
Montreal, Quebec H3G 1J1,
Canada

Materials Available to Stockholders

- General Motors Corporation Form 10-K Annual Report to the Securities and Exchange Commission for 1990 (after April 1, 1991)
- General Motors Public Interest Report 1991 (after May 15, 1991)
- Cassette tape recording of major portions of the 1990 GM Annual Report (after May 1, 1991, at no charge for distribution to the handicapped)
- The Dividend Reinvestment Plan provides registered holders of $1-2/3 par value common stock with a simple and convenient method of reinvesting cash dividends and making optional cash investments in additional shares without a service charge. A prospectus and authorization card may be requested from the transfer agent's New York office or from GM.

Requests may be sent to:

General Motors Corporation
Room 11-128
General Motors Building
3044 West Grand Blvd.
Detroit, Michigan 48202
(313) 556-2044

- Eligible GM stockholders may invest in GMAC Demand Notes. This relatively high yield alternative to money market funds and bank savings accounts provides easy, convenient access to your money without a large initial investment.

GMAC Demand Notes are offered by Prospectus only. You can obtain a Prospectus by writing to:

GMAC Demand Notes
P.O. Box 33129
Detroit, Michigan 48232-5129

Current rate information is available by calling 1-800-426-8323.

GENERAL MOTORS PUBLIC INTEREST REPORT 1991

As a responsible global corporation, GM is deeply committed to a cleaner environment throughout the world and is diligently working to ensure that its plants and products contribute to that end. The demonstration of that commitment—in clean air, fuel economy, alternative fuels, and other areas—is detailed annually in the Public Interest Report.

Continuing to evaluate the potential of solar-powered vehicles, GM joined in sponsoring 32 university and college teams in the 1,800-mile "GM Sunrayce USA—1990" in July, then sponsored the first three finishers in the World Solar Challenge Race in Australia in November 1990.

The GM Medical Committee for Automotive Safety, formed in 1985 and comprising distinguished physicians who meet regularly with GM personnel, provides an ongoing medical-community perspective on GM programs that impact the safety of the motoring public.

GM's program of support to education is among the leading programs in the nation, in terms of both the total monetary assistance provided and the quality of the activities receiving assistance. In 1990, the combined contributions in support of educational programs from GM and the General Motors Foundation totaled almost $40 million.

Since 1976, GM has provided engineering scholarships to outstanding students at selected U.S. colleges and universities. In 1990, 282 scholarships were awarded totaling $1.8 million. Women and minorities comprised 29 percent and 32 percent, respectively, of the scholarship recipients.

GM and its employes generously support United Way campaigns in North American cities where it has plants and offices. In 1990, GM Foundation direct grants provided $4.5 million to United Way campaigns.

In 1990, General Motors and the GM Foundation also contributed over $21 million in support of other worthy non-educational organizations and projects.

The General Motors Cancer Research Foundation was established in 1978 to recognize basic and clinical scientists throughout the world for their demonstrated achievements in the detection, prevention, and treatment of cancer. The prizes awarded each year by the Foundation consist of gold medals and $100,000 cash grants, plus $30,000 to support a scientific workshop or conference.

General Motors was the sole sponsor of the 10-hour PBS telecast of the widely acclaimed historical documentary, "The Civil War," in the fall of 1990. Exclusive sponsorship of a number of quality television special broadcasts continues under the banner of the "GM Mark of Excellence Presentations."

Since 1970, and through 1990, GM's wholly owned subsidiary, Motor Enterprises, Inc., has granted 262 loans totaling $9.2 million to 216 minority companies. These loans, in turn, enabled those companies to borrow an additional $85.0 million from other lending sources.

The 1991 Public Interest Report is GM's 21st successive annual accounting of Corporate activities affecting the society in which we live and work. It will be available after May 15 from the address given on page 54 for other materials.

The GM Minority Supplier Development Program, initiated in 1968, is the largest and most extensive activity of its kind in the U.S. For 1990, GM's purchased materials and services from minority suppliers totaled $1.1 billion. Cumulative purchases from minority suppliers since the inception of the program have amounted to about $8 billion. In 1990, GM received the national Minority Supplier Development Council's first Corporate Leadership Award and the National Corporation of the Year Award for its commitment and responsiveness to minority-owned firms.

In 1990, a new department was formed to spearhead GM's corporate-wide commitment to increase the number of successful minority-owned GM car and truck dealerships.

At year-end 1990 and 1989, minorities represented 20.6 percent of GM's total U.S. work force. GM's U.S. employment of women was 18.9 percent at the end of 1990 compared with 18.8 percent at year-end 1989.

General Motors ranks as one of the largest privately funded educational and training institutions in the U.S. Since 1984, GM's commitment to employe education and training has come to $1.9 billion, including $1.2 billion derived from the joint commitment of GM, the United Auto Workers, and other unions.

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GM
GENERAL MOTORS
CORPORATION
DETROIT
MICHIGAN 48202

1991 GMC S-15 JIMMY

1991 OLDSMOBILE BRAVADA

The new 1991 Oldsmobile Bravada and the GMC Jimmy sport utility vehicles offer the best of all worlds: luxury, comfort, and rugged functionality. The Bravada features SmartTrak, an Oldsmobile exclusive, which combines full-time four-wheel drive and anti-lock brakes to provide a high degree of all-terrain traction and security.